VILLAGE OF MCFARLAND

Public Works & Utilities Committee

NOTICE OF PUBLIC MEETING

Monday, November 27, 2023 **6:00 PM** **McFarland Municipal Center**
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The public may attend in-person or remotely through the webinar or telephone options listed below.
PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:
https://us02web.zoom.us/j/87321231583
Or by Telephone: +1 (312) 626-6799
Webinar ID: 873 2123 1583
Press *9 to raise/lower hand. Press *6 to mute/unmute.

1. CALL TO ORDER, ROLL CALL.

2. PUBLIC APPEARANCES.
   a. This is an opportunity for members of the public to address the Public Works and Utilities Committee for items that are not on the agenda. Please remember this is a hybrid meeting conducted in person and through the Zoom online meeting platform. Meeting attendees wishing to address the Committee about items not on the agenda may do so at this time. Zoom attendees should type their name and address in the Question and Answer feature within the Zoom online meeting platform at this time. Members of the public who are present in person and wish to address the Committee should fill out a public comment form and turn into the meeting chairperson. When you are called upon to speak, state your name, address, and provide your comments to the Committee for their consideration. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to public.works@mcfarland.wi.us to be included as part of the meeting.

      Members of the public may also speak during their selected agenda item as they designate on the public comment form or in the Question and Answer feature on Zoom.

3. APPROVAL OF MINUTES.
   a. Motion to approve the minutes of the October 23, 2023 Public Works & Utilities Committee meeting.

4. BUSINESS.
   a. Presentation and discussion of the Water Utility Financial Forecast as prepared by Baker Tilly.

   b. Discussion and action to make a recommendation to the Village Board regarding the Water Utility Impact Fee Study as prepared by Baker Tilly.

   c. Discussion and action to make a recommendation to the Village Board regarding stormwater rates.

   d. Presentation and discussion regarding the draft Maintenance Plan for Village-Owned Stormwater Improvements.

5. SCHEDULE NEXT MEETING DATE.
   a. Wednesday, December 20, 2023 at 6:00 p.m.

6. ADJOURNMENT.

Any person who has a qualifying disability as defined by the Americans with Disabilities Act that requires the meeting or materials at the meeting to be in an accessible location or format should contact the McFarland Municipal Center at (608)838-3153, 5915 Milwaukee Street, McFarland, Wisconsin, or village.clerk@mcfarland.wi.us by 2:00 p.m. at least 5 business days prior to the meeting so that any necessary arrangements can be made to accommodate each request. If the meeting or request is less than 5 business days from the meeting, requests for accommodations may still be made and reasonable efforts will be made to accommodate each request.

VILLAGE OF MCFARLAND

Public Works & Utilities Committee Minutes

Monday, October 23, 2023 - 6:00 PM

1. CALL TO ORDER, ROLL CALL.

Trustee Wreh called the regular meeting of the Public Works & Utilities Committee to order at 6:00 PM in the Community Room of the Municipal Center. This meeting was also held via Zoom webinar.

Members present: Edward Wreh, Hilary Brandt, Marc Nielsen, Chris Fredrick, Eric Kindschi, Matthew Coan

Members not present: Pauline Boness

Staff Present: Village Administrator Matt Schuenke, Public Works Director Lee Igl, Assistant to the Public Works Director Aimee Irwin, and Town & Country staff Tim Stieve.

2. PUBLIC APPEARANCES.

a. *This is an opportunity for members of the public to address the Public Works and Utilities Committee for items that are not on the agenda. Please remember this is a hybrid meeting conducted in person and through the Zoom online meeting platform. Meeting attendees wishing to address the Committee about items not on the agenda may do so at this time. Zoom attendees should type their name and address in the Question and Answer feature within the Zoom online meeting platform at this time. Members of the public who are present in person and wish to address the Committee should fill out a public comment form and turn into the meeting chairperson. When you are called upon to speak, state your name, address, and provide your comments to the Committee for their consideration. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to public.works@mcfarland.wi.us to be included as part of the meeting.*

Members of the public may also speak during their selected agenda item as they designate on the public comment form or in the Question and Answer feature on Zoom.

None.

3. APPROVAL OF MINUTES.

a. *Discussion and action on rescinding the meeting minutes of the August 28th Public Works and Utilities Committee meeting.*

Motion by Fredrick, seconded by Trustee Wreh, to rescind the minutes of the August 28th Public Works and Utilities Committee meeting. Motion carries 6 - 0 - 0.

b. *Discussion and action on the meeting minutes of the August 28th Public Works & Utilities Committee meeting.*

Motion by Fredrick, seconded by Trustee Wreh, to approve the August 28th Public Works & Utilities Committee meeting as enclosed within the packet. Motion carries 6 - 0 - 0.

c. *Motion to approve the minutes of the September 27, 2023 Public Works & Utility Committee meeting.*

Motion by Trustee Wreh, seconded by Fredrick, to approve the minutes of the September 27, 2023 Public Works & Utility Committee meeting with the amendment provided by committee member Nielsen. Motion carries 6 - 0 - 0.

4. BUSINESS.

a. *Discussion and action to make a recommendation to the Village Board regarding the final design for Lift Station 2 and authorize the project for bid.*

Stieve of Town and Country presented and reviewed the enclosed final design plans for Lift Station 2.

Motion by Trustee Wreh, seconded by Trustee Brandt, to recommend approval to the Village Board regarding the final design for Lift Station 2 and authorize the project for bid. Motion carries 6 - 0 - 0.

b. *Discussion and action to make a recommendation to the Village Board regarding the purchase of a generator for Lift Station 2.*

No action was taken on this item.

c. *Presentation, discussion and action to make a recommendation of approval to the Village Board regarding the final plans of the 2024 Exchange Street project and authorize the project for bid.*

Stieve of Town & Country Engineering presented the final plans for the 2024 Exchange Street project.

Motion by Trustee Wreh, seconded by Trustee Brandt, to recommend approval to the Village Board regarding the final plans of the 2024 Exchange Street project and authorize the project for bid. Motion carries 5 - 1 - 0 by acclamation, with Nielsen voting nay.

d. *Discussion and action to make a recommendation to the Village Board regarding the draft 2024 Budget for the Utilities Fund (600).*

Igl reviewed the draft 2024 Budget for the Utilities fund (600).

Motion by Trustee Brandt, seconded by Coan, to recommend approval to the Village Board regarding the draft 2024 Budget for the Utilities Fund (600). Motion carries 4 - 1 - 1, with Nielsen voting nay, and Trustee Wreh abstaining.

e. *Discussion and action to make a recommendation to the Village Board regarding the draft 2024 Budget for the Stormwater Utility Fund (605).*

Igl reviewed the draft 2024 Budget for the Stormwater Utility Fund (605).

Motion by Trustee Wreh, seconded by Trustee Brandt, to recommend approval to the Village Board regarding the draft 2024 Budget for the Stormwater Utility Fund (605) as presented. Motion carries 6 - 0 - 0.

5. SCHEDULE NEXT MEETING DATE.

a. *Monday, November 27, 2023 at 6:00 p.m.*

6. ADJOURNMENT.

Motion by Trustee Brandt, seconded by Trustee Wreh, to adjourn at 7:45 pm.

Pursuant to law, written notice of this meeting was given to the public and posted on the public bulletin board in accordance with Open Meetings Law.

Respectfully submitted,
Aimee Irwin
Assistant to the Public Works Director

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Monday, November 27, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Lee Igl, Public Works Director, Matt Schuenke, Village Administrator, Aimee Irwin, Assistant to the Public Works Director**

AGENDA ITEM: **Presentation and discussion of the Water Utility Financial Forecast as prepared by Baker Tilly.**

PREVIOUS ACTION:
The Public Works & Utilities Committee recommended approval to the Village Board regarding a proposal from Baker Tilly to conduct a five-year financial forecast for the water utility at their February 27, 2023 meeting.

The Village Board approved the proposal at their March 14, 2023 meeting.

ISSUE SUMMARY:
Enclosed is the Water Utility Financial Forecast as prepared by Baker Tilly. The forecast is a five year outlook for the water utility to assist management with future planning.

FINANCIAL/BUDGET IMPACT:
The proposal to conduct a water utility forecast was estimated to cost $9,000 to $10,000. Funds were included in the 2023 budget for this proposal.

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
No action is required on this item.

ATTACHMENTS:
1. McFarland Utilities Water Financial Forecast 2023-2027 DRAFT 10.17.2023

McFarland Water Utility

Enterprise Fund of the
Village of McFaland, Wisconsin

Water Utility Financial Forecast

2023 - 2027

Prepared as of

October __, 2023

Table of Contents

Accountants' Compilation Report

To the Village Board
McFarland Water Utility

Management is responsible for the accompanying forecasted Attachments 1 through 11 (Attachments) as identified in the table of contents of the McFarland Water Utility, an enterprise fund of the Village of McFarland, Wisconsin for the years ended December 31, 2023-2027, including the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecasted Attachments nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this forecasted Attachments.

The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The accompanying supplementary information, identified as historical financial information for the year ended December 31, 2022 and nonfinancial information, contained in the Attachments is presented for purposes of additional analysis and is not a required part of the forecast. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not examined or reviewed the supplementary information and do not express an opinion, a conclusion nor provide any assurance on such information.

Madison, Wisconsin
October __, 2023

Purpose and Scope

The McFarland Water Utility (Utility) requested Baker Tilly US, LLP to compile a multi-year financial forecast which would quantify the financial impact of capital projects on Water user rates. In addition, this study incorporates management's expectations for the timing and amount of financing required over the next five years.

The Village Board the Public Works and Utilities Committee and members of the staff should be commended for their proactive approach in undertaking this project. The tools are now in place for the Utility to move forward and make decisions to solidify the Utility's financial future.

Nature of Forecast

This financial forecast presents, to the best of management's knowledge and belief, the Utility's expected results of operations for the forecast period. Accordingly, the forecast reflects management's judgment as of October __, 2023, the date of this forecast, of the expected conditions and the expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecast and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Approach

An interactive approach was followed in completing the study, which included drawing upon input from staff and management at the Utility and the Village. The steps followed in completing the study include:

- Obtain historical revenues, expenses and cash flow for three years.
- Develop a template to forecast five years into the future.
- Discussions with Utility personnel regarding projects under consideration.
- Completion of five-year capital project's list by Utility personnel.
- Review historical growth and forecast growth based on discussions with management.
- Preparation of a formal report outlining the significant assumptions and the forecast results.

This collaborative effort has resulted in a meaningful forecast that all involved can understand and use to guide the financial future of the Utility.

Forecast Results

The forecast presents a five-year prospective look based on estimates provided by management. The water utility is planning substantial capital additions over the next five years. The forecast calls for borrowing during the forecast period to assist in financing the aforementioned capital projects over the next five years. The planned increases are designed to allow the utility to continue to meet debt coverage and return to a position of adequate cash reserves and earn a reasonable rate of return throughout the forecast period.

The revenue requirement includes calculating annual debt coverage as required by the outstanding 2022 revenue bonds. All current general obligation notes do not have a debt coverage requirement.

Forecasted revenue requirement demonstrates some periods of excess and others with a deficiency of revenue. Generally, these swings are driven between the timing of a debt issue and the completion of the related capital asset construction. The forecast demonstrates a cumulative excess in revenue requirement from 2022 – 2027 of approximately $11,055.

Nature of Operations

The Utility is an enterprise fund of the Village of McFarland. The Utility is managed by the Public Works and Utilities Committee and the Village Board. The Utility is subject to regulation by the Public Service Commission of Wisconsin (PSCW) in matters of rates, financial reporting, and other procedures.

Revenue Recognition

Water revenues are recorded for service rendered based on water meter readings, with billings made to customers bi-monthly. The utility does not accrue beyond billing dates.

Expenses

Historical operation and maintenance expenses are reported on the accrual basis. Forecasted 2023 through 2027 expenses are also generally reported on the accrual basis with the exception of certain nonrecurring major expenses which are normalized for rate-making purposes. This accounting for nonrecurring expenses differs from generally accepted accounting principles. Expenses related to pensions are based on cash contributions, rather than GASB 68 expenses, as required by the PSCW.

Plant

Additions to and replacements of Utility plant are recorded at the original cost, which includes material, labor, and overhead. The Utility does pay a tax equivalent to the Village per State Statute. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation

Depreciation is computed using straight line rates authorized by the PSCW applied to the average plant investment balances for the calendar year.

Taxes

Municipal utilities are exempt from income taxes and therefore, no income tax liability is recorded by the McFarland Water Utility.

Revenues

Operating Revenue

Forecasted operating revenue is based on average revenue per customer per class. Customer growth assumptions are based on historical growth rates and discussions with Utility management of known upcoming developments or expansions. The increase in customers by class for the Utility is shown on Attachment 7.

Current water rates were approved by the PSCW effective August 13, 2021. This rate adjustment has been incorporated into this forecast.

Presented on Attachment 2 are projected minimum rate increases, which are forecasted to meet the cumulative revenue requirement through 2027. The proposed Test Year 2024 rate increase was a forecasted 32% effective in quarter 2 of 2024, 4.5% effective in the first quarter of 2026 and 28% effective in the first quarter of 2027.

Impact Fees

Revenues forecasted for impact fees are based on historical average impact fees and the 2023 Water Impact Fee Study to allocate a portion of the improvement of existing wells and the building of a new well attributed to growth.

Investment Income

Investment income forecasted for years 2023 - 2027 has been adjusted to include a 2% increase to account for inflation.

Operating Expenses

Expenses are forecasted based on historical trends, the 2023 approved budgets, and discussions with Utility management. Wages have been inflated by 2% annually for the years 2023 - 2027. Maintenance expenses have been inflated by the PSC inflation rate of 4.2% for 2023, 2.6% for 2024 and an average of 3.4% thereafter.

The remaining operating expenses as of May 31, 2023, were annualized for 2023 and inflated assuming a 2.6% inflationary increase in 2024 followed by a 3.4% inflationary increase for the years 2025 – 2027. Estimated expenses for water tower painting in 2023 and 2024 were normalized. Detailed operation and maintenance expenses are shown on Attachment 8.

Capital Additions

Capital additions are based on the Utility's capital project budget approved by the Village council and discussions with management. Detailed capital additions are shown on Attachment 5.

Debt Service

Management anticipates the issuance of new revenue bonds in the amount of $5,225,500 and $3,895,000 in 2024 and 2025, respectively. The debt is forecasted to bear an average interest rate of 4.5%. Debt proceeds are to fund anticipated Utility capital projects. The debt service schedule is forecasted on Attachment 10.

Forecasted debt issues were determined by management and management's registered municipal advisor.

A T T A C H M E N T S

McFarland Water Utility
Sources and Uses of Funds Summary - Water
Actual 2022 - Forecasted 2027

Attachment 1

	Actual	Forecasted				
Sources of Funds	2022	2023	2024	2025	2026	2027
Operating income	$ 382,656	$ 213,563	$ 422,966	$ 547,099	$ 484,642	$ 800,991
Add: Depreciation	400,304	430,178	456,671	536,796	656,296	750,496
Total From Operations	782,960	643,741	1,112,636	1,083,895	1,207,618	1,971,977
From Other Sources:						
Proceeds from debt issue	3,150,000	-	5,225,500	-	3,895,000	-
Interest income	123,185	126,204	128,728	131,303	133,929	136,607
Impact fees	36,402	43,900	$77,073	77,073	77,073	77,073
Total From Other Sources	3,309,587	170,104	5,431,301	208,376	4,106,002	213,680
Total Sources of Funds	4,092,547	813,845	6,543,937	1,292,270	5,313,620	2,185,657
Uses of Funds						
Acquisition and construction of utility plant **	1,272,605	1,196,500	1,107,750	3,557,940	4,049,000	2,437,750
Debt Service - existing	444,328	676,977	682,782	498,281	412,386	407,518
Debt Service - forecasted	-	-	-	401,716	401,716	701,149
Tax Equivalent	258,404	264,054	288,483	312,573	392,498	466,411
Total Uses of Funds	1,975,337	2,137,531	2,079,015	4,770,510	5,255,600	4,012,828
Net Cash Flows	$ 2,117,210	$ (1,323,686)	$ 4,464,922	$ (3,478,240)	$ 58,020	$ (1,827,171)

** This excludes plant financed by TIF and not initially paid for by the utility

Cummulative cash flow for six year period	$ 11,055
Estimated cash flow for future annual capital financed from operations	600,000

McFarland Water Utility
Income Statement - Water (GAAP basis)
Actual 2022 - Forecasted 2027

Attachment 2

	Actual	Forecasted				
	2022	2023	2024	2025	2026	2027
OPERATING REVENUES						
Unmetered	4,119	2,205	2,249	2,294	2,340	2,387
Metered (current rates):						
Residential	$ 705,969	$ 708,537	$ 726,605	$ 736,852	$ 751,009	$ 765,167
Multifamily residential	61,750	65,783	72,178	69,831	71,855	73,879
Commercial	86,433	89,477	92,762	91,142	91,974	92,806
Public authorities	29,477	35,009	38,378	37,131	38,192	39,300
Total Metered Sales	883,629	898,806	929,923	934,956	953,030	971,152
Private fire protection	52,161	50,934	54,024	54,616	56,457	58,298
Public fire protection	472,300	472,300	472,300	472,300	472,300	472,300
Proposed Rate Increases *	-	-	233,000	465,999	532,679	953,836
Total Sales of Water	1,412,209	1,424,245	1,691,496	1,930,165	2,016,806	2,457,973
OTHER OPERATING REVENUES						
Forfeited discounts	3,546	3,617	3,689	3,763	3,838	3,915
Miscellaneous service revenue	305	311	317	323	329	336
Other	51,623	52,655	53,708	54,782	55,878	56,996
Total Other Operating Revenues	55,474	56,583	57,714	58,868	60,045	61,247
TOTAL OPERATING REVENUES	1,467,683	1,480,828	1,749,210	1,989,033	2,076,851	2,519,220
OPERATING EXPENSES						
Pumping	160,260	76,935	78,894	81,576	84,350	87,218
Water treatment	30,927	26,917	27,568	28,505	29,474	30,476
Transmission & distribution	111,643	149,228	165,860	171,499	177,330	183,359
Customer accounts	49,933	65,781	67,162	69,446	71,807	74,248
Administration & general	316,627	496,453	507,750	531,014	549,068	567,736
Total Operation and Maintenance	669,390	815,314	847,234	882,040	912,029	943,037
Depreciation	400,304	430,178	456,671	536,796	656,296	750,496
Taxes	15,333	21,773	22,339	23,098	23,884	24,696
TOTAL OPERATING EXPENSES	1,085,027	1,267,265	1,326,244	1,441,934	1,592,209	1,718,229
NET OPERATING INCOME	$ 382,656	$ 213,563	$ 422,966	$ 547,099	$ 484,642	$ 800,991
Percentage Increase in Rates			**32.00%**	**0.00%**	**4.50%**	**28.00%**
Proposed Rate Increases *						
2023		-	-	-	-	-
2024		-	233,000	465,999	465,999	465,999
2025		-	-	-	-	-
2026		-	-	-	66,680	67,347
2027		-	-	-	-	420,490

*** assumes 1/2 year impact in year of implementation for TY24 conventional rate case**

Please refer to Accountants' Report, Summary of Significant Assumptions and Summary of Significant Accounting Policies

McFarland Water Utility
Rate of Return and Increase Suggested - Water
Actual 2022 - Forecasted 2027

Attachment 3

	Actual	Forecasted				
	2022	2023	2024	2025	2026	2027
Net Investment Rate Base	$ 7,546,824	$ 8,519,672	$ 9,372,597	$ 11,348,895	$ 14,709,711	$ 17,413,414
Operating Income- Regulatory Basis (A)	260,135	150,554	334,925	444,344	313,608	557,601
Rate of Return	3.45%	1.77%	3.57%	3.92%	2.13%	3.20%
Recommended Return - **6.20%** (B)	468,000	528,000	581,000	704,000	912,000	1,080,000
Increase Required	$ 207,865	$ 377,446	$ 246,075	$ 259,656	$ 598,392	$ 522,399
Percent of Increase Required	14.72%	26.50%	14.55%	13.45%	29.67%	21.25%
Increase from Current Rates		26.50%	16.87%	17.73%	40.32%	34.73%
Proposed Increase			32.00%	0.00%	4.50%	28.00%
Rate of Return after Proposed Increase			6.06%	3.92%	2.59%	5.62%

(A) This is prior to the current year rate increase. Regulatory basis excludes depreciation on contributed assets and includes the tax equivalent and rent of water towers.
(B) The current authorized rate of return is 4.9%. While the utility may be eligible for up to a 6.2% rate of return, the recommended rate of return for this study was maintained at 6.0% due to the utilities existing resources and the ability to use debt for capital projects.

Operating Income- Regulatory Basis (A)	2022	2023	2024	2025	2026	2027
Net operating income (after increases)	$ 382,656	$ 213,563	$ 422,966	$ 547,099	$ 484,642	$ 800,991
Rent of Water towers (included in GAAP int inc)	71,986	69,295	66,442	63,418	60,214	56,821
GASB 68 Adjustment	(65,601)	-	-	-	-	-
Depreciation Expense- CIAC Plant	129,498	131,750	134,000	146,400	161,250	166,200
Tax Equivalent	(258,404)	(264,054)	(288,483)	(312,573)	(392,498)	(466,411)
	$ 260,135	$ 150,554	$ 334,925	$ 444,344	$ 313,608	$ 557,601

Please refer to Accountants' Report, Summary of Significant Assumptions and Summary of Significant Accounting Policies

McFarland Water Utility

Attachment 4

Average Rate Base - Water
Actual 2022 - Forecasted 2027

	Actual	Forecasted				
	2022	2023	2024	2025	2026	2027
Utility Plant in Service						
Balance - Beginning of year	$ 10,432,611	$ 11,594,372	$ 12,636,972	$ 13,639,022	$ 16,874,369	$ 20,556,253
Balance - End of year	11,594,372	12,636,972	13,639,022	16,874,369	20,556,253	22,772,976
Average Balance	11,013,491	12,115,672	13,137,997	15,256,695	18,715,311	21,664,614
Accumulated Depreciation						
Balance - Beginning of year	(3,371,902)	(3,531,864)	(3,676,392)	(3,893,363)	(3,961,166)	(4,089,096)
Balance - End of year	(3,531,864)	(3,676,392)	(3,893,363)	(3,961,166)	(4,089,096)	(4,452,365)
Average Balance	(3,451,883)	(3,604,100)	(3,784,900)	(3,927,300)	(4,025,100)	(4,270,700)
Materials and Supplies						
Balance - Beginning of year	19,450	19,450	19,450	19,450	19,450	19,450
Balance - End of year	19,450	19,450	19,450	19,450	19,450	19,450
Average Balance	19,450	19,500	19,500	19,500	19,500	19,500
Regulatory Liability						
Balance - Beginning of year	(45,644)	(22,823)	-	-	-	-
Balance - End of year	(22,823)	-	-	-	-	-
Average Balance	(34,234)	(11,400)	-	-	-	-
Average Net Investment Rate Base	$ 7,546,824	$ 8,519,672	$ 9,372,597	$ 11,348,895	$ 14,709,711	$ 17,413,414

Please refer to Accountants' Report, Summary of Significant Assumptions and Summary of Significant Accounting Policies

McFarland Water Utility
Capital Projects Forecast - Water
Forecasted 2023 - Forecasted 2027

Attachment 5

Water	2023	2024	2025	2026	2027	Total Project Cost
Network Equip	$ 2,500	$ 3,000	$ 3,500	$ 4,000	$ 4,500	$ 17,500
Leak Locator	35,000	-	-	-	-	35,000
Leased Equipment	8,000	8,000	8,000	8,000	8,000	40,000
Patrol Truck	65,000	-	-	-	-	65,000
Paulson Road	517,500	-	-	-	-	517,500
Paving and Utility Plan	504,500	-	-	-	-	504,500
Pickup Truck	12,000	57,000	-	15,000	16,000	100,000
Trailer	2,000	-	-	-	-	2,000
USH 51	50,000	-	-	-	-	50,000
Exchange Street	-	1,039,750	-	-	-	1,039,750
Well #5	-	-	3,320,000	-	-	3,320,000
Patrol Truck	-	-	80,000	-	82,500	162,500
Paving and Utility Plan	-	-	1,401,400	500,750	692,750	2,594,900
Egner Park Facility	-	-	-	1,100,000	-	1,100,000
CTH MN 5	-	-	-	882,250	-	882,250
Well #3	-	-	-	-	1,720,000	1,720,000
Well #4	-	-	-	1,620,000	-	1,620,000
Mains, Services, Hydrants	267,300	-	211,900	211,900	211,900	903,000
Total Capital Projects	$ 1,463,800	$ 1,107,750	$ 5,024,800	$ 4,341,900	$ 2,735,650	$ 14,673,900
Impact Fee Financed Projects (Wells)	$ -	$ -	$ 1,254,960	$ 81,000	$ 86,000	$ 1,421,960
Developers Financed	$ 267,300	$ -	$ 211,900	$ 211,900	$ 211,900	$ 903,000
Utility Financed	$ 1,196,500	$ 1,107,750	$ 3,557,940	$ 4,049,000	$ 2,437,750	$ 12,348,940
Book Cost of Plant Retired	153,900	105,700	322,593	367,116	221,027	1,170,336
Total Additions Net of Retirements	$ 1,309,900	$ 1,002,050	$ 4,702,207	$ 3,974,784	$ 2,514,623	$ 13,503,564

McFarland Water Utility
Plant and Depreciation - Water
Actual 2022 - Forecasted 2027

Attachment 6

2022 Depreciation Expense	$ 302,820	129,498	Utility Financed Plant 1/1/22 (less land)	$ 10,422,997	Contributed Plant 1/1/22 (less land)	7,674,104
2022 Ave Depreciable Plant	$ 11,003,878	$ 7,674,104	Utility Financed 12/31/22 (less land)	11,584,759	Contributed Plant 12/31/22 (less land)	7,674,104
Composite Depreciation Rate	2.752%	1.687%	Depreciable Plant	$ 11,003,878	Depreciable Plant	$ 7,674,104

	Plant Additions	Depreciation Rates	Actual 2022	Forecasted 2023	2024	2025	2026	2027
Base Plant Jan 1, 2023- Utility Financed	$ 11,584,759	2.752%	$ 302,820	$ 322,732	$ 315,275	$ 318,800	$ 318,800	$ 318,800
Base Plant Jan 1, 2023- CIAC	7,674,104	1.687%	129,498	129,500	129,500	129,500	129,500	129,500
Additions								
2023								
Utility Financed Projects	1,196,500	2.752%	-	16,450	32,900	32,900	32,900	32,900
Contributed Projects	267,300	1.687%	-	2,250	4,500	4,500	4,500	4,500
2024								
Utility Financed Projects	1,107,750	2.752%	-	-	15,250	30,500	30,500	30,500
Contributed Projects	-	1.687%	-	-	-	-	-	-
2025								
Utility Financed Projects	3,557,940	2.752%	-	-	-	48,950	97,900	97,900
Contributed Projects	1,466,860	1.687%	-	-	-	12,400	24,800	24,800
2026								
Utility Financed Projects	4,049,000	2.752%	-	-	-	-	55,700	111,400
Contributed Projects	292,900	1.687%	-	-	-	-	2,450	4,900
2027								
Utility Financed Projects	2,437,750	2.752%	-	-	-	-	-	33,550
Contributed Projects	297,900	1.687%	-	-	-	-	-	2,500
Depreciation charged to Sewer			(32,014)	(40,754)	(40,754)	(40,754)	(40,754)	(40,754)
Total Depreciation Expense			$ 400,304	$ 430,178	$ 456,671	$ 536,796	$ 656,296	$ 750,496
Total Retirements	(1,170,336)							
Plant Balance (net of retirements)	$ 32,762,427							
Depreciation Expense- Utility Financed Plant			$ 270,806	$ 298,428	$ 322,671	$ 390,396	$ 495,046	$ 584,296
Depreciation Expense- CIAC Plant			$ 129,498	$ 131,750	$ 134,000	$ 146,400	$ 161,250	$ 166,200
CIAC Plant January 1			$ 7,674,104	$ 7,674,104	$ 7,941,404	$ 7,941,404	$ 9,408,264	$ 9,701,164
CIAC Plant December 31			$ 7,674,104	$ 7,941,404	$ 7,941,404	$ 9,408,264	$ 9,701,164	$ 9,999,064

McFarland Water Utility
Revenues Forecast - Water (current rates)
Actual 2022 - Forecasted 2027

	Actual	Forecasted				
	2022	2023	2024	2025	2026	2027
Residential						
Total Revenue	705,969	$ 708,537	$ 726,605	$ 736,852	$ 751,009	$ 765,167
Volume Sold (MG)	147,467	147,229	150,171	153,112	156,054	158,996
Average Number of Customers	3,185	3,203	3,267	3,331	3,395	3,459
Revenue Per Customer	222	221	221	221	221	221
Volume Per Customer	46	46	46	46	46	46
Multifamily residential						
Total Revenue	61,750	65,783	72,178	69,831	71,855	73,879
Volume Sold (MG)	19,413	21,694	22,361	23,029	23,696	24,364
Average Number of Customers	63	65	67	69	71	73
Revenue Per Customer	980	1,012	1,012	1,012	1,012	1,012
Volume Per Customer	308	334	334	334	334	334
Commercial						
Total Revenue	86,433	89,477	92,762	91,142	91,974	92,806
Volume Sold (MG)	24,497	27,067	27,318	27,570	27,822	28,074
Average Number of Customers	214	215	217	219	221	223
Revenue Per Customer	404	416	416	416	416	416
Volume Per Customer	114	126	126	126	126	126
Public Authorities						
Total Revenue	29,477	35,009	38,378	37,131	38,192	39,300
Volume Sold (MG)	9,873	11,905	12,266	12,626	12,987	13,348
Average Number of Customers	28	33	34	35	36	37
Revenue Per Customer	1,053	1,061	1,061	1,061	1,061	1,061
Volume Per Customer	353	361	361	361	361	361
Private Fire Protection						
Total Revenue	52,161	50,934	54,024	54,616	56,457	58,298
Average Number of Customers	85	83	86	89	92	95
Revenue Per Customer	614	614	614	614	614	614
Public Fire Protection	472,300	472,300	472,300	472,300	472,300	472,300
Total Revenue	$ 1,408,090	$ 1,422,040	$ 1,456,247	$ 1,461,872	$ 1,481,787	$ 1,501,750

2023 forecasted customers to be consistent with the customer count on 5/31/2023.
2024 forecasted customers to be consistent with the customer count on 5/31/2023, adjusted for the 5-year average change in customer numbers.
Forecasted consumption to be consistent with the consumption per customer for the previous 12 months.

McFarland Water Utility
Expenses Forecast - Water (GAAP basis)
Actual 2022 - Forecasted 2027

	Actual	Forecasted				
	2022	2023	2024	2025	2026	2027
OPERATING EXPENSES						
Pumping	$ 160,260	$ 76,935	$ 78,894	$ 81,576	$ 84,350	$ 87,218
Water treatment	30,927	26,917	27,568	28,505	29,474	30,476
Transmission & distribution *	111,643	149,228	165,860	171,499	177,330	183,359
Customer accounts expense	49,933	65,781	67,162	69,446	71,807	74,248
Administration & general	316,627	496,453	507,750	531,014	549,068	567,736
Total Operation & Maintenance	669,390	815,314	847,234	882,040	912,029	943,037
Depreciation expense	400,304	430,178	456,671	536,796	656,296	750,496
Taxes-FICA	15,333	21,773	22,339	23,098	23,884	24,696
TOTAL OPERATING EXPENSES	$ 1,085,027	$ 1,267,265	$ 1,326,244	$ 1,441,934	$ 1,592,209	$ 1,718,229

Forecasted 2023 and 2024 are based on the Test Year 2024 Rate Study and thereafter are inflated at a rate of 3.4% annually.

* Changes in expenses beyond inflation include the following:
- $12,500 of tower painting in transmission & distribution in 2023 and $26,042 in 2024.
-$6,000 T24 Rate Study in 2023, 2024 & 2025

McFarland Water Utility
Debt Coverage - Water
Actual 2022 - Forecasted 2027

	Actual 2022	Forecasted 2023	Forecasted 2024	Forecasted 2025	Forecasted 2026	Forecasted 2027
Actual Defined Earnings						
Operating Revenues	$ 1,467,683	$ 1,480,828	$ 1,749,210	$ 1,989,033	$ 2,076,851	$ 2,519,220
Add: Interest income	123,185	126,204	128,728	131,303	133,929	136,607
Less: Operation and Maintenance Expenses	669,390	815,314	847,234	882,040	912,029	943,037
Taxes Other than Equivalent	15,333	21,773	22,339	23,098	23,884	24,696
Net Defined Earnings	$ 906,145	$ 769,945	$ 1,008,365	$ 1,215,197	$ 1,274,867	$ 1,688,094
Required Defined Earnings						
Subsequent Year Principal and Interest Payment- Revenue Debt	230,299	$ 228,954	$ 228,781	$ 228,436	$ 227,918	$ 227,228
Subsequent Year Principal and Interest Payment - Proposed Debt	-	-	401,716	401,716	701,149	701,149
Subtotal	230,299	228,954	630,497	630,152	929,067	928,377
Required Coverage Factor	1.25	1.25	1.25	1.25	1.25	1.25
Required Defined Earnings	$ 287,874	$ 286,193	$ 788,121	$ 787,690	$ 1,161,334	$ 1,160,471
Excess (Shortage)	$ 618,271	$ 483,752	$ 220,243	$ 427,507	$ 113,533	$ 527,623
Actual Coverage Factor		3.36	1.60	1.93	1.37	1.82

McFarland Water Utility

Attachment 10

Annual Debt Service - Water

	2015	2017	2019	2020	2022	2024	2026	Annual
	G.O. Promissory Note	G.O. Promissory Note	G.O. Promissory Note	G.O. Promissory Note	Revenue Bonds	Estimated Revenue Bonds	Estimated Revenue Bonds	Debt Service
2023	187,578	79,900	100,800	78,400	230,299	-	-	676,977
2024	188,978	83,400	104,100	77,350	228,954	-	-	682,782
2025	-	91,800	101,400	76,300	228,781	401,716	-	899,997
2026	-	-	103,700	80,250	228,436	401,716	-	814,102
2027	-	-	100,850	78,750	227,918	401,716	299,433	1,108,667
2028	-	-	103,000	77,250	227,228	401,716	299,433	1,108,627
2029	-	-	-	76,125	226,365	401,716	299,433	1,003,639
2030	-	-	-	-	229,644	401,716	299,433	930,793
2031	-	-	-	-	228,264	401,716	299,433	929,413
2032	-	-	-	-	226,710	401,716	299,433	927,859
2033	-	-	-	-	229,299	401,716	299,433	930,448
2034	-	-	-	-	228,824	401,716	299,433	929,973
2035	-	-	-	-	228,220	401,716	299,433	929,369
2036	-	-	-	-	227,487	401,716	299,433	928,636
2037	-	-	-	-	229,213	401,716	299,433	930,362
2038	-	-	-	-	230,594	401,716	299,433	931,743
2039	-	-	-	-	227,314	401,716	299,433	928,463
2040	-	-	-	-	228,177	401,716	299,433	929,326
2041	-	-	-	-	228,695	401,716	299,433	929,844
2042	-	-	-	-	228,918	401,716	299,433	930,067
2043	-	-	-	-	-	401,716	299,433	701,149
2044	-	-	-	-	-	401,716	299,433	701,149
2045	-	-	-	-	-		299,433	299,433
2046	-	-	-	-	-		299,433	299,433
Totals	376,556	255,100	613,850	544,425	4,569,340	8,034,320	5,988,660	20,382,251
						(A)	(B)	

(A) Forecasted Revenue Bond issue of $5,225,500 bearing an interest rate of 4.5% annually for 20 years
(B) Forecasted Revenue Bond issue of $3,895,000 bearing an interest rate of 4.5% annually for 20 years

McFarland Water Utility
Taxes - Water
Actual 2022 - Forecasted 2027

Attachment 11

Water	Actual 2022	Forecasted 2023	2024	2025	2026	2027
Plant in Service - January 1	$ 18,184,651	$ 19,346,412	$ 20,656,312	$ 21,658,362	$ 26,360,569	$ 30,335,353
Held for Future Use - January 1	224,112	224,112	224,112	224,112	224,112	224,112
CWIP	22,736	64,902	29,213	29,213	29,213	29,213
Materials and Supplies	19,450	19,450	19,450	19,450	19,450	19,450
Assessable Plant	18,450,949	19,654,876	20,929,087	21,931,137	26,633,344	30,608,128
Assessment Ratio	95.12%	99.11%	99.11%	99.11%	99.11%	99.11%
Assessed Value	17,550,340	19,480,713	20,743,633	21,736,804	26,397,344	30,336,907
Mill Rate (A)	14.7236	13.5547	13.9071	14.3799	14.8688	15.3744
Tax Equivalent	258,404	264,054	288,483	312,573	392,498	466,411
1994 Tax Equivalent Floor	78,428	78,428	78,428	78,428	78,428	78,428
Larger of two lines above	258,404	264,054	288,483	312,573	392,498	466,411
Less local & school tax equivalent on meters charged to sewer department	5,927	9,955	10,214	10,561	10,920	11,291
Net property tax equivalent	252,477	254,099	278,269	302,012	381,578	455,120
Social Security	19,998	20,838	21,380	22,107	22,859	23,636
PSC Remainder Assessment	1,262	1,315	1,349	1,395	1,442	1,491
Total Water Tax Expense	$ 273,737	$ 276,252	$ 300,998	$ 325,514	$ 405,879	$ 480,247

2022 Mill Rate Computation (A)	Total	Utility
State	0.0000	N/A
County	2.6254	N/A
Local	5.7824	5.7824
School	8.2094	8.2094
Vocational	0.6959	0.6959
Gross Tax Rate	17.3131	14.6877
School Credit	-1.3356	-1.1330
Net Tax Rate	15.9775	13.5547
2022 Assessment Ratio	0.9512	

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Monday, November 27, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Lee Igl, Public Works Director, Matt Schuenke, Village Administrator, Aimee Irwin, Assistant to the Public Works Director**

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding the Water Utility Impact Fee Study as prepared by Baker Tilly.**

PREVIOUS ACTION:
The Public Works & Utilities committee recommended approval to the Village Board regarding a proposal from Baker Tilly to conduct a water impact fee study at their February 27, 2023 meeting.

The Village Board approved the proposal from Baker Tilly to conduct a water impact fee study at their March 14, 2023 meeting.

ISSUE SUMMARY:
A Water System Needs Assessment study was completed by Town & Country Engineering and approved by the committee at their January 23, 2023 meeting. The assessment helped the village identify challenges and deficiencies within the village's water impact fee structure and is the basis for adopting a revised impact fee ordinance in order to help offset costs associated with continued growth and impacts on the water system. Following the completion of the study, the auditor has prepared an update to the impact fees so that they are properly applied to address growth in the future.

The steps of the study included:
1. Obtain updated facilities needs assessment from Village's engineer along with existing water impact fee study and ordinance. Review engineering report for project costs, cost allocation and growth projections.
2. Develop recommended water impact fee based on needed projects, projected costs, allocations to existing customers vs. new customers and growth projections.
3. Prepare a draft report including supporting information, calculations, assumptions, and cash flow evaluation.
4. Provide a draft report to management for review, and for submittal to the Village Attorney for review.
5. Present final study to committee.

Enclosed is the Public water impact fees calculation conducted by Baker Tilly. Baker Tilly will provide an overview of the enclosed document. Staff are seeking approval to the Village Board

from the committee regarding the study.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:
1997 Report on Impact Fees
2023 Public Facilities Needs Assessment Report

ORDINANCE REFERENCE:
8-463 Public Water
Appendix A 8-463(b)

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Recommended motion:

Motion, and second to recommend approval to the Village Board regarding the Water Impact Fee study as presented by Baker Tilly.

ATTACHMENTS:
1. McFarland Water Utility Impact Fees Report 2023 09 Full Doc

Baker Tilly US, LLP
4807 Innovate Lane,
PO Box 7398
Madison, WI, 53707-7398
United States of America

T: +1 (608) 249 6622
F: +1 (608) 249 8532

bakertilly.com

September XX, 2023

Village Board
McFarland Water Utility
5915 Milwaukee Street
McFarland, WI 53558

Dear Board Members:

Enclosed please find ten (5) copies of the McFarland Water Utility Impact Fees Study for the year ended 2023.

Please feel free to contact us if you have any questions regarding this matter. We appreciate the opportunity to be of service to the McFarland Water Utility.

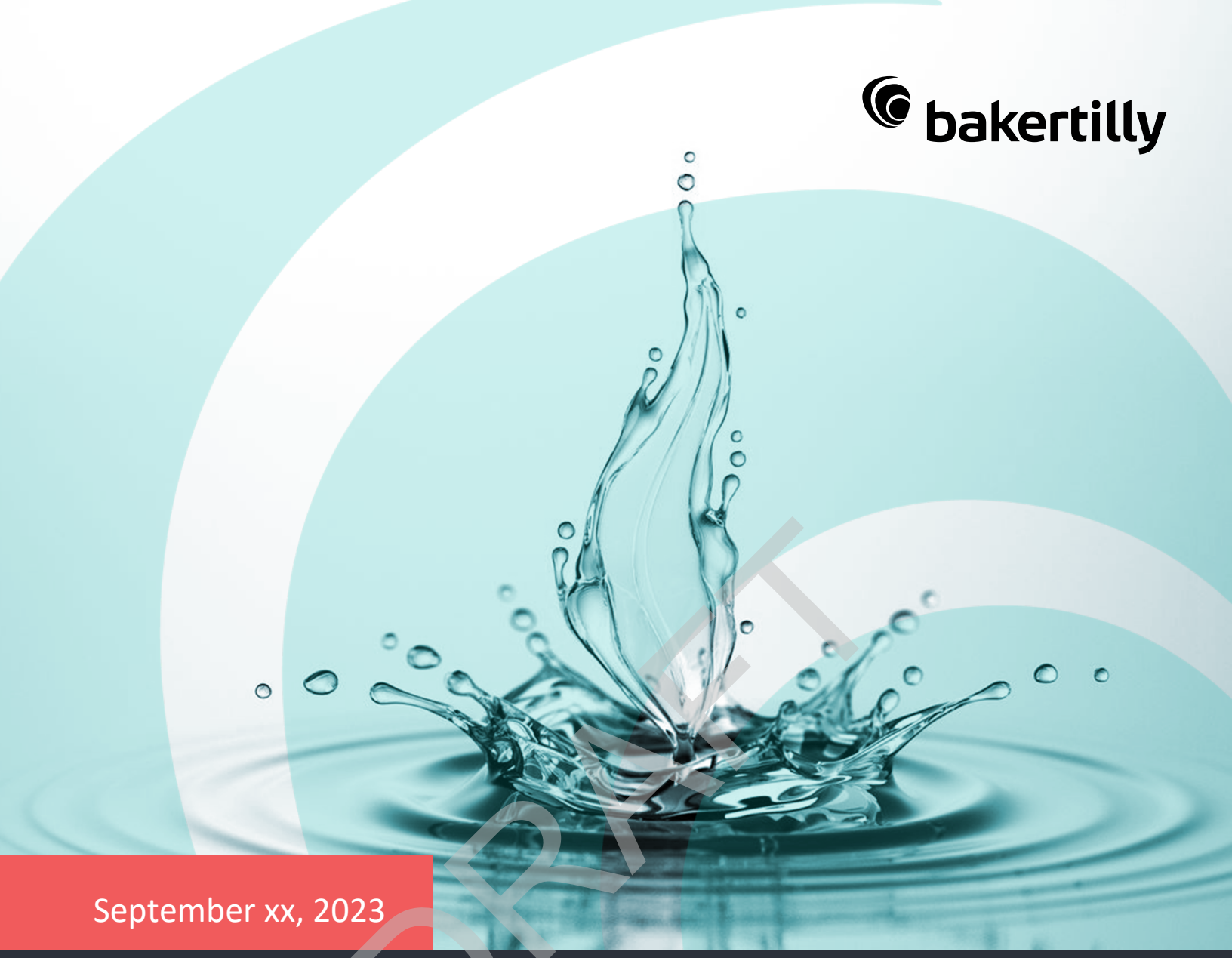
Sincerely,

BAKER TILLY US, LLP

Jodi Dobson, CPA, Partner

Enclosures

bakertilly



September xx, 2023

McFarland Water and Sewer Utility

Village of McFarland, WI

Public water impact fees calculation

Table of Contents

The purpose of this study is to develop a methodology to be used in developing a water facilities impact fee for the Village of McFarland (the "Village") under Wisconsin Statute, Chapter 66, Section 66.0617 Impact Fees.

According to the Village Public Facilities Needs Assessment for Municipal Water System as of February 2023, the Wisconsin Department of Administration (DOA) projects the population to grow to 9,895 over the next 20 years. A linear projection using the 1970-2020 census data provides a more aggressive population projection and has been used to estimate the 2040 (20 year) and 2070 (50 year) populations of 11,730 and 15,960, respectively. This anticipated growth will require additions to the Village's water system. Impact fees will assist in financing the capital costs associated with capital improvements in existing wells and the construction of a new well.

This report summarizes an analysis of development impact fees needed to support future development in the Village of McFarland through 2040. It also serves to satisfy the statutory obligations as outlined in Wisconsin Statute 66.0617. The primary resources used in this study include:

- *The Public Facilities Needs Assessment for Public Water Impact Fees* (the Assessment) dated February 2023, as prepared by Town & Country Engineering, Inc. The Assessment is located on the Village's website.
- The 2024 – 2028 Village of McFarland 5 year Capital Improvement Plan (the Plan). The Plan is located on the Village's website.
- Audited financial statements of McFarland Utilities (the Statements). The Statements are located on the Village's website.
- Annual reports to the Wisconsin Public Service Commission (the Reports). The Reports are located on the Village's website.

This study should be read in conjunction with these resources. We provide no assurance on the accuracy of the resources used to develop this study.

The Village may implement or update other impact fees at a later date; however, no consideration has been given to those possibilities in this report.

As previously stated in the Executive Summary, the Village expects to experience population growth through 2040. Planning responsibly for new growth within a community is one of many challenges facing local governments. Effective accommodation of this development requires the construction and upgrade of public facilities and infrastructure to serve new residents.

It is common that during the construction and upgrade of public infrastructure, many residents and businesses that will occupy the newly developed areas of the community may not yet be present. The purchase of land and the development of land often precede the inhabiting of the property. While this may be an obvious fact, it holds important consequences for the public financing of new development. In order to apportion the public costs of new development fairly and responsibly, some measures must be undertaken to ensure that the entire cost of accommodating new development is not born solely by the current residents of the municipality. One such measure to accomplish this goal is the use of impact fees to offset the initial cost to local taxpayers of satisfying the additional demand on the public infrastructure.

This report adheres to the basic concept that an impact fee should reflect a "rational nexus" of growth and capital improvements. The principles of "rational nexus" are:

- There must be a reasonable connection between the need for facilities and the growth resulting from a new development;
- The charge must not exceed a proportionate share of the cost incurred or to be incurred in accommodating the development paying the charge; and
- There must be a reasonable connection between the expenditure of the charges collected and the benefits received by the development paying the charges.

Wisconsin's Impact Fee Statute 66.0617 prescribes the types of public infrastructure for which an impact fee may be charged, the costs that may be included in developing an impact fee, as well as the obligations on the part of the issuing municipality prior to and subsequent to the fee being charged. These obligations are detailed below.

Wisconsin State Statute Section 66.0617(1) - Definitions:

The following definitions as outlined in Wisconsin State Statute 66.0617(1) have been addressed in the fee computation. The requirements are as follows:

- *Per Subsection(1)(a), "Capital costs" means the capital costs to construct, expand or improve public facilities, including the cost of land, and including legal, engineering and design costs to construct, expand or improve public facilities, except that not more than 10% of capital costs may consist of legal, engineering and design costs unless the municipality can demonstrate that its legal, engineering and design costs which relate directly to the public improvement for which the impact fees were imposed exceed 10% of capital costs. "Capital costs" does not include other noncapital costs to construct, expand or improve public facilities, vehicles; or the costs of equipment to construct, expand or improve public facilities.*

  Based on the definition above, only allowable capital costs are included in the impact fee computation.

- *Per Subsection (1)(f)(1), "Public Facilities" means…facilities for pumping, storing and distributing water ……".*

  The projects included in the impact fee computation meet this definition.

- *Per Subsection (1)(g), "Service area" means a geographical area delineated by a municipality within which there are public facilities.*

  The service area for the impact fee is the Village of McFarland. The service area is identified in Appendix F of the Village of McFarland's Public Facilities Needs Assessment. This document is located on the Village's website.

- *Per Subsection (1)(h), "Service standard" means a certain quantity or quality of public facilities relative to a certain number of persons, parcels of land or other appropriate measure, as specified by the municipality.*

  The existing service standards are outlined in Chapters One (1) of the needs assessment.

Wisconsin State Statute Section 66.0617(4) – Public Facilities Needs Assessment:

The Assessment shall include as outlined in Wisconsin State Statute 66.0617(4) the following:

- *Per Section (4)(a)(1), an inventory of existing public facilities, including an identification of any existing deficiencies in the quantity or quality of those public facilities, for which it is anticipated that an impact fee may be imposed.*

  The needs assessment documents the current system deficiencies and facility improvements necessary to meet development needs. It should be noted that the village's water system includes a number of 6" water mains while current construction standards require an 8" main to be installed. Although 8" mains are the current construction standard, the existing distribution system meets the required supply and fire flow. Replacement of the existing 6" mains with 8" mains is expected to occur over time as the 6" mains age and deteriorate and replacement of the 6" mains may also occur when it is economically feasible such as in conjunction with a road rebuild. Because the village does not intend to remove and replace these mains on an accelerated schedule, no impact fee deficiency credit was calculated for 6" main replacement as this condition is not considered a deficiency. The inventory and existing deficiencies of the water system facilities are located in Chapter Two (2) of the needs assessment.

- *Per Section (4)(a)(3), A detailed estimate of the capital costs of providing the new public facilities or the improvements or expansions in existing public facilities.*

  Chapter Four (4) of the needs assessment details the estimated capital costs of providing the new water facilities.

Wisconsin State Statute Section 66.0617(6) – Standards for Impact Fees:

This report adheres to what an impact fee should reflect according to Wisconsin State Statute 66.0617(6). The standard requirements are as follows:

- *Per Section (6)(a), shall bear a rational relationship to the need for new, expanded or improved public facilities that are required to serve land development.*

  The fees found herein are for public facilities that are required to serve future developed land and the service demands that development creates.

- *Per Section (6)(am), may not include amounts for an increase in service capacity greater than the capacity necessary to serve the development for which the fee is imposed.*

  The fees were developed to address the capacity necessary to service the development for which the fees are being imposed.

- *Per Section (6)(b), may not exceed the proportionate share of the capital costs that are required to serve land development, as compared to existing uses of land within the municipality.*

  The fees found herein are for the portion of public facilities attributed to growth. The capital costs, which form the basis for the fees developed as a part of this study, include estimated costs for well 3 and 4 improvements and new well 5 construction.

- *Per Section (6)(c), shall be based upon actual capital costs or reasonable estimates of capital costs for new, expanded or improved public facilities.*

  The capital costs, which form the basis for the fees developed as a part of this study, include estimated costs for well 3 and 4 improvements and new well 5 construction. These cost estimates were based on unit pricing from similar recent construction projects.

Wisconsin State Statute Section 66.0617(6) – Standards for Impact Fees (cont.):

- *Per Section (6)(d), shall be reduced to compensate for other capital costs imposed by the municipality with respect to land development to provide or pay for public facilities, including special assessments, special charges, land dedications or fees in lieu of land dedications under Chapter 236 or any other items of value.*

  The other financing sources listed above were taken into consideration as a part of the fee computations. It has been determined that these financing sources have not been used to finance capital costs for wells 3 & 4 improvements or the construction of new well 5. Therefore, these sources were not included in the fee calculations.

- *Per Section (6)(e), shall be reduced to compensate for moneys received from the federal or state government specifically to provide or pay for the public facilities for which the impact fees are imposed.*

  The receipt of federal and or state grants was considered in the fee development. No grant funds have been received from federal or state governments specifically for wells 3 & 4 improvements or the construction of new well 5. Therefore, the fee has not been reduced for such funds. Any grant funds received in the future will be factored in future impact fee calculations.

- *Per Section (6)(f), may not include amounts necessary to address existing deficiencies in public facilities.*

  The costs included in the fee computations are not related to curing existing deficiencies.

- *Per Section (6)(fm), may not include expenses for operation or maintenance of a public facility.*

  The costs included in the fee computations do not include expenses for operation or maintenance of a public facility.

- *Section (6)(g) except as provided under this paragraph, shall be payable by the developer or the property owner to the municipality in full upon issuance of a building permit by the municipality. There are exceptions to this outlined in the statute.*

  All fees will be due at the time of building permit issuance except for situations allowed for under this section of the impact fee statute.

Wisconsin State Statute Section 66.0617 (7) – Low–Cost Housing

- *Section (7) An ordinance enacted under this section may provide for an exemption from, or a reduction in the amount of, impact fees on land development that provides low-cost housing, except that no amount of an impact fee for which an exemption or reduction is provided under this subsection may be shifted to any other development in the land development in which the low-cost housing is located or to any other land development in the municipality.*

  Information from the 2021 Census showed that the Village of McFarland's median household income was $83,865. Dane County's median household income was $78,452 in 2021 while Wisconsin's household income was $67,080. Current Statutes Section 66.0617(7) permits a community to provide a discount on an impact fee provided the median household income is lower when compared to the rest of the county and state.

Wisconsin State Statute Section 66.0617 (7r) – Impact Fee Reports

> *At the time that the municipality collects an impact fee, it shall provide to the developer for which it received the fee an accounting of how the fee will be spent.*

The City is aware of this requirement.

Wisconsin State Statute Section 66.0617 (8) – Requirements for Impact Fee Revenues

> *Revenues from each impact fee that is imposed shall be placed in a separate segregated interest−bearing account and shall be accounted for separately from the other funds of the municipality. Impact fee revenues and interest earned on impact fee revenues may be expended only for the particular capital costs for which the impact fee was imposed, unless the fee is refunded under sub. (9).*

According to Village management, the Village plan to account for its fees in a separate general ledger account. Interest income will be allocated to this account on a monthly basis.

Wisconsin State Statute Section 66.0617 (9) – Refund of Impact Fees

> *An ordinance enacted under this section shall specify that impact fees that are imposed and collected by a municipality but are not used within a reasonable period of time after they are collected to pay the capital costs for which they were imposed shall be refunded to the current owner of the property with respect to which the impact fees were imposed. The ordinance shall specify, by type of public facility, reasonable time periods within which impact fees must be spent or refunded under this subsection. In determining the length of the time periods under the ordinance, a municipality shall consider what are appropriate planning and financing periods for the particular types of public facilities for which the impact fees are imposed.*

According to Village management, the Village plan to spend down its impact fee collections in accordance with state statute guidance.

NOTE: The impact fee requirements outlined in this section are subject to change by the legislature at any time. Refer to the state statute for the statutory requirements.

Impact Fee Process

See Wisconsin State Statute 66.0617 for the detailed process.

The process followed and information utilized in the development of the impact fees is summarized below:

- Requires a Public Hearing (s. 66.0617 (3)):
  - Class 1 notice under Chapter 985
  - Provide copy of proposed ordinances
  - Provide public facilities needs assessment
- Based on a Public Facilities Needs Assessment (for facilities included in the impact fee calculation) (s. 66.0617 (4)):
  - Inventory of existing facilities, including deficiencies
  - Identification of new public facilities
  - Estimated (or actual) capital cost of new public facilities
  - Effect of recovering capital costs on affordable housing
  - Available for public inspection and copying in the office of the clerk at least 20 days before hearing
- Follow Impact Fee Standards:
  - Rational relationship to the need for new facilities
  - Proportionality
  - Actual costs or reasonable estimates
  - Net of other charges
  - Net of grants
  - Must exclude improvements to address deficiencies
  - May not include expenses for operation or maintenance of a public facility
  - Payable by the developer or property owner to the Village in full upon the issuance of a building permit by the Village
- Establish Accounting Requirements:
  - Use of funds restricted
  - Subject to refund
- Specify Appeal Procedure (s. 66.0617 (10))

Assumptions

- *The Public Facilities Needs Assessment for Public Water Impact Fees (the Assessment)* dated February 2023, as prepared by Town & Country Engineering, Inc. was used as the basis for this study.
- According to the Assessment, the 2020 population per US Census for the Village was 8,991 and is projected to grow to 11,730 in 2040, which is an increase of approximately 685 every five years.
- Upgrades at Wells 3 & 4 costs of $3.34M and the Well 5 construction costs of $3.32 are included in the calculation of the enclosed impact fee. The projects included are required to handle water infrastructure needs related to expected growth in the community. The Village has selected 5% and 37.8% as the Impact Fee Percentage for allocation for wells 3 & 4 improvements and the construction of well 5, respectively. Details regarding projects are on the attached schedules.
- Residential equivalent units (REU's) form the basis for calculating this impact fee. REU's are a method of converting all customers to a common basis to measure their impact on the system. The REU's were calculated as described below.

  The current population of the community is estimated at 9,268. Per the needs assessment, wells 3 & 4 improvements and well 5 construction considered a population of 11,730 and 12,246, respectively. The following steps were used to determine an equivalent user. First, the average use of a residential user in the community was computed to be 48,000 gallons per year using actual data for the years 2020-2022. The number of residential users was then determined by using the actual customer count from the most recent Public Service Commission annual report. The next step was to divide the 48,000 gallons per year per customer (which is the residential equivalent use) into the total consumption of all users (201,250 thousand gallons) to determine the number of REU's in the system at 4,195.

  To facilitate application of the fee, the village elected to implement their impact fee using meter equivalents. For purposes of the study, one residential equivalent is considered equal to the basic residential meter size (5/8 x 3/4). The meter equivalent ratios are from PSC Standards. We converted REU's to meter equivalents to be consistent with the fee structure in the ordinance. The user equivalent calculation was also tested by taking the number of meters by customer type within the community and the multiplier included in the impact fee study to determine the number of REU's. The resulting calculation showed 4,061 equivalent meters vs. 4,195 REU's, a nominal variance.
- This study should be updated periodically. This will allow for changes in growth, project costs, estimates or other projects to be incorporated into the fee.

McFarland Water Utility
Impact Fee
Summary

Schedule 1

Project	Design Population	Total Cost	Excess Capacity	Cost Allocated to Excess Capacity	Future Equiv. Meters
Well 3 Improvement	11,730	$ 1,720,000	5.0%	$ 86,000	1,079
Well 4 Improvement	11,730	$ 1,620,000	5.0%	$ 81,000	1,079
Well 5 New Construction	12,246	$ 3,320,000	37.8%	$ 1,254,960	1,305

Project	Project Cost per Equiv. Meter	Impact Fee	REU's added per Year	Impact Fee Annual Revenue Estimate
Well 3 Improvement	$ 80	$ 80	62	$ 4,960
Well 4 Improvement	75	75	62	4,650
Well 5 New Construction	962	962	62	59,644
	$ 1,117	$ 1,117		$ 69,254

MCFARLAND WATER UTILITY **Schedule 2**
Well #3
Impact Fee Methodology

Well 3 increasing reliability and support growth

Cost	$	1,720,000
Capacity		1,200 gpm
Capacity Allocation		
Future User Allocation / Design Capacity =		5% excess capacity

Equivalent Users (REU's)

Current Equivalent Users	4,195

Fee Calculation

Costs allocated to excess capacity	$	86,000	A
Future equivalent meters (Schedule 6)		1,079	B
Impact Fee	$	80	C

A - New Well Cost * Future Capacity %

B - Future Equivalent Users * Conversion Factor

C - Costs allocated to excess capacity / Future equivalent meters

MCFARLAND WATER UTILITY **Schedule 3**
Well #4
Impact Fee Methodology

Well 4 increasing reliability and support growth

Cost	$	1,620,000
Capacity		1,000 gpm
Capacity Allocation		
Future User Allocation / Design Capacity =		5% excess capacity

Equivalent Users (REU's)

Current Equivalent Users	4,195

Fee Calculation

Costs allocated to excess capacity	$	81,000	A
Future equivalent meters (Schedule 6)		1,079	B
Impact Fee	$	75	C

A - New Well Cost * Future Capacity %

B - Future Equivalent Users * Conversion Factor

C - Costs allocated to excess capacity / Future equivalent meters

MCFARLAND WATER UTILITY **Schedule 4**
Well #5
Impact Fee Methodology

New Well #5 Construction (Replacement Well #1)

Cost	$	3,320,000
Capacity		1,000 gpm
Capacity Allocation		
Future User Allocation / Design Capacity =		37.8% excess capacity

Equivalent Users (REU's)

Current Equivalent Users	4,195

Fee Calculation

Costs allocated to excess capacity	$	1,254,960	A
Future equivalent meters (Schedule 6)		1,305	B
Impact Fee	$	962	C

A - New Well Cost * Future Capacity %

B - Future Equivalent Users * Conversion Factor

C - Costs allocated to excess capacity / Future equivalent meters

McFarland Water Utiltiy **Schedule 5**
Impact Fee Conversions

The following are the computed fees for different types of construction.

Equivalent Meter Conversion*	Meter Size	Impact Fee
1	3/4"	$ 1,117
2.5	1"	$ 2,793
3.7	1.25"	$ 4,133
5	1.5"	$ 5,585
8	2"	$ 8,936
15	3"	$ 16,755
25	4"	$ 27,925
50	6"	$ 55,850

McFarland Water Utility **Schedule 6**
Impact Fees
Residential Equivalent Use and Equivalent Users

Calculation of Residential Equivalent Use:

Year	Use (000)		Customers		
2020	154,698	/	3,083	=	50
2021	156,160	/	3,291	=	47
2022	147,467	/	3,185	=	46
				Average Use per Year (000)	48

Calculation of Total System Equivalent Users

Year	Total Usage		Average Use per Year		Total REU's
2022	201,250	/	48	=	4,195

Calculation of Future Equivalent Users

	Well 3	Well 4	Well 5
Design Population	11,730	11,730	12,246
Current Population	9,268	9,268	9,268
Additional Population	2,462	2,462	2,978
Divided by:			
REU Conversion Factor (9,268/4,195)	2.2	2.2	2.2
Additional REU's	1,114	1,114	1,348
Multiplied by:			
Meter Equiv. conversion factor (sched 7)	96.80%	96.80%	96.80%
Additional Meter Equivalents	1,079	1,079	1,305

McFarland Water Utility **Schedule 7**
Impact Fees
Meter Equivalent Conversion

Meter Equivalent Conversion

Size	Total Meters 12/31/2022	Conversion	Equivalent Meters
5/8 & 3/4	3,364	1	3,364
1	55	2.5	138
1 1/2	43	5	215
2	23	8	184
3	9	15	135
4	1	25	25
	3,495		4,061

Total Equivalent Users	4,195
Conversion Factor	96.80% A

A - Total equivalent meters (4,061) divided by total equivalent users (4,195)

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Monday, November 27, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Lee Igl, Public Works Director, Matt Schuenke, Village Administrator, Aimee Irwin, Assistant to the Public Works Director**

AGENDA ITEM: **Discussion and action to make a recommendation to the Village Board regarding stormwater rates.**

PREVIOUS ACTION:
The Public Works & Utilities Committee recommended approval to the Village Board regarding a proposal from Town & Country to conduct a stormwater rate study at their April 24, 2023 meeting.

The Village Board approved the proposal at their May 9, 2023 meeting.

ISSUE SUMMARY:
The Stormwater Utility was created in 2008 and the last rate adjustment occurred in 2016. The committee approved a proposal from Town & Country Engineering to conduct a stormwater rate study at their April 24, 2023 meeting. The study was to review current data, trends, and future improvements to the stormwater utility in order to calculate recommended rates. Town & Country Engineering will be present during the meeting to review their study and recommendations for stormwater rates.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
Chapter 47-V Stormwater Utility

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Recommended motion:

Motion, second to recommend approval to the Village Board regarding the stormwater rate study and for an increase of the bimonthly charge per ERU to $20.00 effective in January 2024.

ATTACHMENTS:
1. MC 2023 Storm Water Charge System 10.17.2023

VILLAGE OF McFARLAND - STORM SEWER UTILITY
CASH FLOW ANALYSIS
October 17, 2023

Input value in cash flow sheet
Input value from Sensitive Analysis sheet

	P 17-2021,audit	P. 13 2022 Audit								
Previous and Future Capital Stormwater Project Cost	$400,135	$474,524	$220,750	$390,700	$0	$652,800	$0	$0	$530,179	$0
Possible grant				$125,000						
Net village expense				$265,700	$0	$652,800	$0	$0	$530,179	$0

ASSUMPTIONS

INTEREST INCOME RATE ASSUMED	0.50%
O&M ANNUAL INCREASE	4.00%
ANNUAL STORMWATER SYSTEM MAINTENANCE REPAIRS	4.00%
ANNUAL MMSD WATERSHED INCREASE	4.00%
	0.00%
2022 Cash and Investments	$ 70,825 P. 14 of 2022 audit

	EXPENSES	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Capital Projects										
	Future stormwater improvements-Paid cash on hand	$ 400,135	$ 474,524	$ 220,750	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2024	Stormwater Improvements with loan				$ 35,250	$ 35,250	$ 35,250	$ 35,250	$ 35,250	$ 35,250	$ 35,250
2025	Stormwater Improvements with loan					$ -	$ -	$ -	$ -	$ -	$ -
2026	Stormwater Improvements with loan						$ 86,606	$ 86,606	$ 86,606	$ 86,606	$ 86,606
2027	Stormwater Improvements with loan							$ -	$ -	$ -	$ -
2028	Stormwater Improvements with loan								$ -	$ -	$ -
2029	Stormwater Improvements with loan									$ 70,338	$ 70,338
2030	Stormwater Improvements with loan										$ -
	2011 capital improvement project										
	Debt-paid off 12-01-2024 (20 &21 cost are est.)	$ 70,000	$ 70,000	$ 67,805	$ 71,505						
	Interest	$ 6,643	$ 4,411	$ 2,500		$ -	$ -	$ -	$ -	$ -	$ -
	O&M										
	Annual Operation and Maintenance	$ 410,501	$ 485,500	$ 573,750	$ 601,350	$ 625,404	$ 650,420	$ 676,437	$ 703,494	$ 731,634	$ 760,900
	Charges made to other utilities										
	MAMSWaP	$ 4,500	$ 4,500	$ 4,393	$ 4,393	$ 4,393	$ 4,393	$ 4,393	$ 4,393	$ 4,393	$ 4,393
	MMSD Yarhara Watershed	$ 15,000	$ 15,000	$ 15,000	$ 15,600	$ 16,224	$ 16,873	$ 17,548	$ 18,250	$ 18,980	$ 19,739
	Replacement Funds										
	Annual Pond Cleaning				$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
	Annual stormwater system maintenance repairs				$ 25,000	$ 26,000	$ 27,040	$ 28,122	$ 29,246	$ 30,416	$ 31,633
			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	TOTAL ANNUAL EXPENSES	**$ 906,779**	**$ 1,053,935**	**$ 884,198**	**$ 768,098**	**$ 722,271**	**$ 835,581**	**$ 863,355**	**$ 892,239**	**$ 992,616**	**$ 1,023,858**
	REVENUES										
	User Charge Revenues(21 & 22 audits)	$ 537,326	$ 544,102	$ 594,422	$ 813,648	$ 825,648	$ 921,413	$ 934,613	$ 990,895	$ 1,004,695	$ 1,062,778
	Forfeited Discounts Revenue	$ 3,164	$ 2,585	$ 2,585	$ 2,585	$ 2,585	$ 2,585	$ 2,585	$ 2,585	$ 2,585	$ 2,585
	Erosion Control Permits	$ 9,000	$ 14,750	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
	Yard waste permits	$ 95	$ 360	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	Grants	$ -	$ 192								
	Impact fees	$ (3,262)	$ -								
	Interest	$ 599	$ 9,058								
	Assessments		$ -								
	Funds from other sources	$ 409,449	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	TOTAL ANNUAL REVENUE	**$ 546,922**	**$ 571,047**	**$ 607,007**	**$ 826,233**	**$ 838,233**	**$ 933,998**	**$ 947,198**	**$ 1,003,480**	**$ 1,017,280**	**$ 1,075,363**
	Cash and Equivalents - Beginning of Year	$ 892,824	$ 588,676	$ 70,825	$ (206,366)	$ (148,231)	$ (32,269)	$ 66,148	$ 149,991	$ 261,232	$ 285,896
	Annual Excess Revenue (Shortfall)	$ (359,857)	$ (482,888)	$ (277,191)	$ 58,135	$ 115,962	$ 98,416	$ 83,843	$ 111,241	$ 24,664	$ 51,505
	Total Available Carryover	$ 588,676	$ 70,825	$ (206,366)	$ (148,231)	$ (32,269)	$ 66,148	$ 149,991	$ 261,232	$ 285,896	$ 337,401
	REVENUE DETAILS										
	Estimated Equivalent Residential Users (ERU)	5957.5	6059	6,270	6,680	6,780	6,880	6,980	7,080	7,180	7,280
	Equivalent Residential Users (ERU) added			410	100	100	100	100	100	100	100
	Estimated Equivalent Residential Users (ERU)	6,059	6,270	6,680	6,780	6,880	6,980	7,080	7,180	7,280	7,380
	ESTIMATED BI-MONTHLY USER CHARGES										
	REU Charges										
	Bi-monthly Charge per REU	$ 14.83	$ 14.83	$ 14.83	$ 20.00	$ 20.00	$ 22.00	$ 22.00	$ 23.00	$ 23.00	$ 24.00
	Annual REU Charge Revenue Generated	$ 539,157	$ 557,940	$ 594,422	$ 813,648	$ 825,648	$ 921,413	$ 934,613	$ 990,895	$ 1,004,695	$ 1,062,778
	TOTAL ANNUAL REVENUE GENERATED BY RATES	**$ 539,157**	**$ 557,940**	**$ 594,422**	**$ 813,648**	**$ 825,648**	**$ 921,413**	**$ 934,613**	**$ 990,895**	**$ 1,004,695**	**$ 1,062,778**

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Monday, November 27, 2023**

SECTION: **Business**

DEPARTMENT: **Public Works**

CONTACT: **Lee Igl, Public Works Director**

AGENDA ITEM: **Presentation and discussion regarding the draft Maintenance Plan for Village-Owned Stormwater Improvements.**

PREVIOUS ACTION:
The Public Works & Utilities Committee recommended approval to the Village Board regarding a proposal from Town & Country Engineering to create a stormwater management area maintenance plan at their April 24, 2023 meeting.

The Village Board approved the proposal from Town & Country at their May 8, 2023 meeting.

ISSUE SUMMARY:
The committee previously approved a proposal from Town & Country Engineering to create a stormwater management maintenance plan. The plan is intended to assist with maintaining the stormwater management areas throughout the village and for additional areas that will be transferred to the Village in the future. Enclosed is the plan created by Town & Country Engineering. They will be present at the meeting to review the plan and answer any questions from the committee.

The plan also gives some recommendations for potential maintenance that could be completed to the private channel, behind Babcock Park between the Yahara River and Lake Waubesa. This was discussed at our meeting in July and previously reviewed by the Committee in 2017. Sediment depths were recently measured to compare to what was studied previously to help guide our discussion. Minutes from the meeting in 2017 are included again in your packet and serves as our current direction on the extent of the public improvement to pursue. If we are do more or less than this action, further direction is needed on the work that is desired related to this issue.

FINANCIAL/BUDGET IMPACT:
To implement the Stormwater maintenance plan in the public locations, future operational dollars will need to be added to the budget. The private channel maintenance will require policy decisions to be made on how it will be funded or who will be paying for the work on private property. The Stormwater Utility Fund through the rate discussion will guide operational needs from year to year while the 5 year Capital Improvement Plan will address capital projects from year to year. Presently there is an allocation of $350,000 in Program Year 2025 of the 2024-2028 Capital Improvement Plan. Through this maintenance plan, we need to address the capital improvements within the whole system we want to pursue through the use of these funds in 2025 and beyond.

VILLAGE OF
McFarland

VILLAGE PLAN REFERENCE:
None.

ORDINANCE REFERENCE:
None.

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
No action on this item at this time. This agenda item serves as the initial presentation of the draft and discussion of its contents.

ATTACHMENTS:
1. Stormwater BMP Maintenance Plan
2. 09-19-2017 - JT PU PW Minutes

Maintenance Plan for Village-Owned
Stormwater Best Management Practices

Village of McFarland, Wisconsin

November 2023

TOWN & COUNTRY ENGINEERING, INC.
Madison ♦ Rhinelander ♦ Kenosha
6264 Nesbitt Road
Madison, WI 53719
☎ (608) 273-3350 ♦ tce@tcengineers.net

General Information

The Village of McFarland is located on United States Highway (USH) 51, several miles south of USH 12/18 in Dane County, Wisconsin. The Village is a Municipal Separate Storm Sewer System (MS4) permitee through the Wisconsin Department of Natural Resources, and is also a member of the Madison Area Municipal Stormwater Partnership (MAMSWaP) group.

Since the early 2000s, the Village and County have had ordinances in place to require post-construction stormwater management. In many areas, this is provided via regional collection, conveyance, and treatment devices, often referred to as Best Management Practices (BMPs).

This document is prepared to create an inventory of existing Village-owned BMPs, identify work items necessary at each location, and layout a plan for future repairs and ongoing maintenance.

The Village-owned BMP locations are shown in Appendix A.

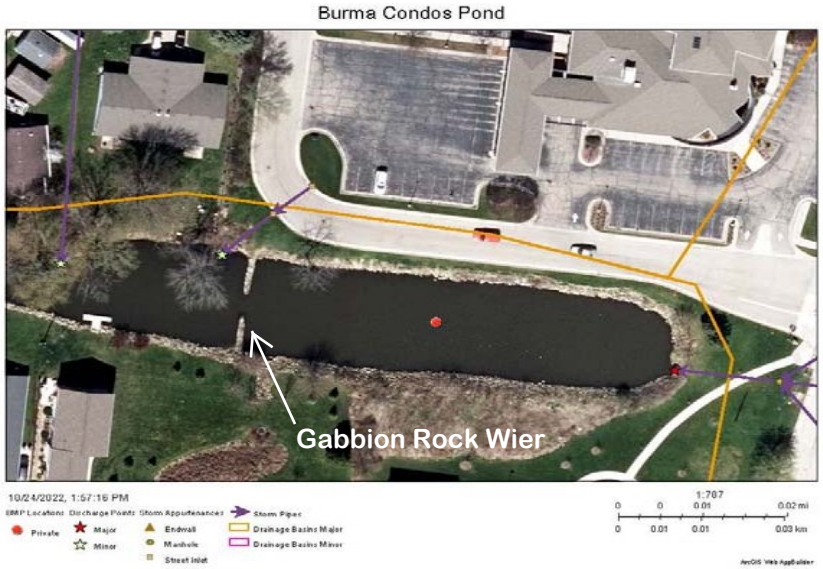
Existing Conditions and Recommended Maintenance

The Village operates and maintains 17 stormwater ponds and over 5300 feet of drainage conveyance channels. This is in addition to over 112,000 feet of storm sewer pipe and associated inlet and manhole structures. Maintenance of the piping and junction structures is not covered in this document.

The following pages contain a location map, site photographs, and specific recommended maintenance tasks for each BMP.

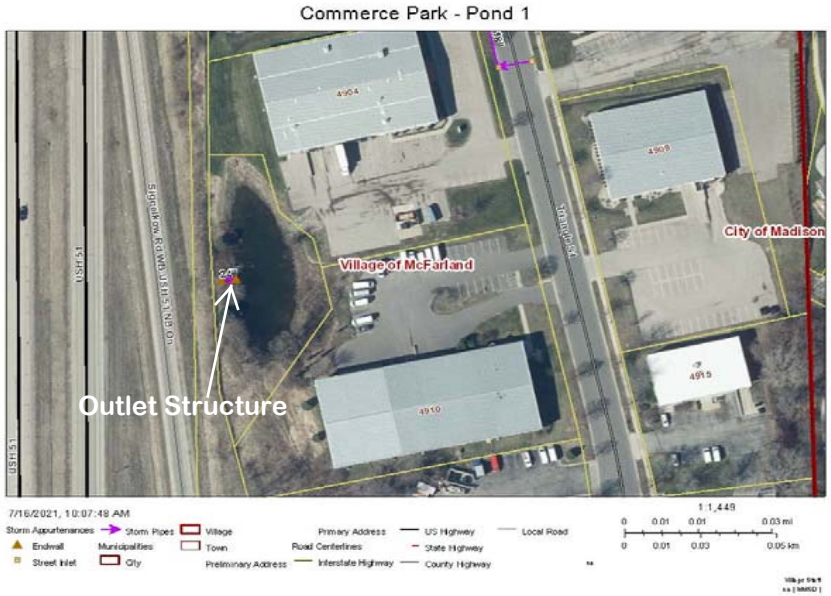
Farwell Outfall Stormwater Treatment Lagoon

1 Clean sludge pile next to large diameter CMP inlet pipe. Restrict public access to inlet pipe.
2 Consider dredging in next two to four years.



Commerce Park - Pond 1

1 Establish maintenance access route with easement or agreement.
2 Clear vegetation from around the concrete outlet structure on the west side of the pond and stabize slopes.
3 Place rip-rap in influent gully on north side of pond.
4 Clear vegetation from around the discharge apron endwall at the outlet structure.
5 Consider dredging in next two years.

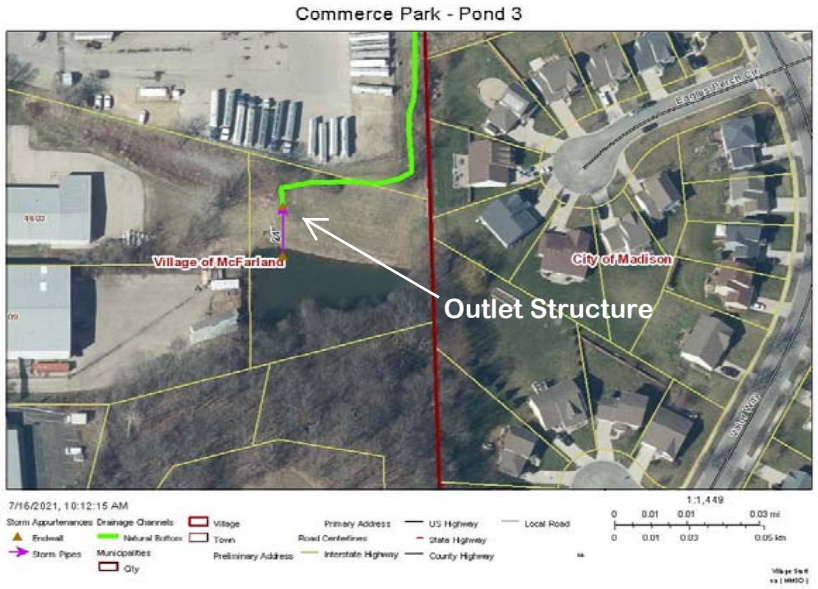


Commerce Park - Pond 2

1 Establish maintenance access route with easement or agreement to northwest and northeast corners of the pond.
2 Clear vegetation and debris from around the inlet apron endwall in the northwest corner of the pond.
3 Clear vegetation and debris from around the concrete outlet structure and discharge apron endwall in the northeast corner of the pond.
4 Clean debris from outlet structure.
5 Consider dredging in next two to four years.

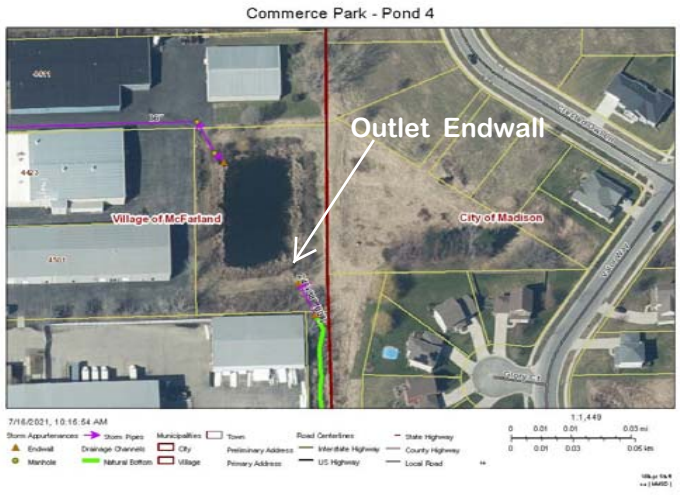
Commerce Park - Pond 3

1 Establish maintenance access route with easement or agreement to outlet structure and discharge pipe on northwest bank of pond.
2 Clear vegetation and clean debris from around the concrete outlet structure..
3 Clear vegetation and debris from around the discharge apron endwall northeast of the outlet structure.
4 Consider dredging in next two to four years.



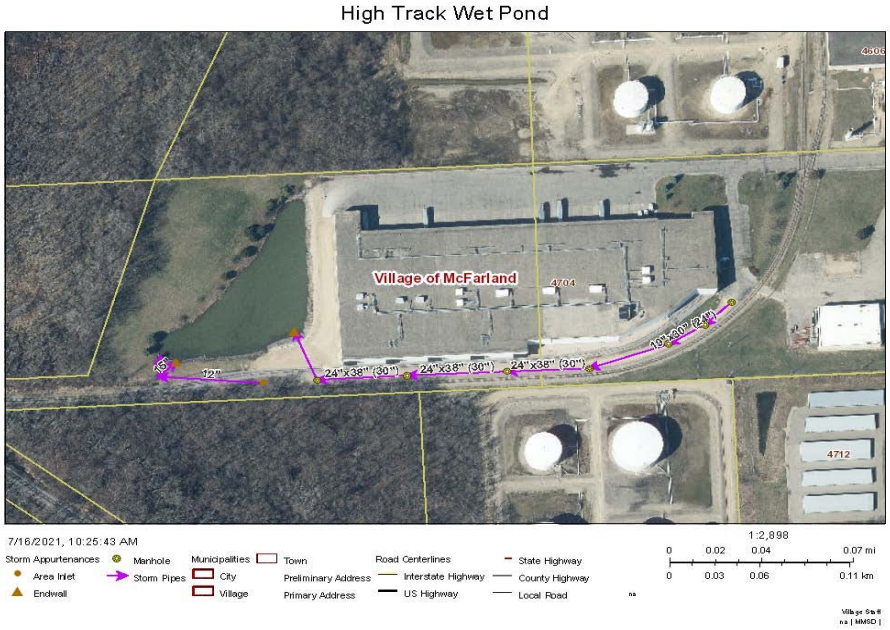
Commerce Park - Pond 4

1 Establish maintenance access route with easement or agreement to outlet apron endwall and discharge apron endwalls in the southeast corner of pond.
2 Clear vegetation and debris from around the outlet apron endwall in southeast corner of the pond.
3 Replace cast in place concrete outlet apron endwalls for dual 24"x36" HERCP outlet discharge pipes.
4 Place rip-rap on downstream side of 12 CMP on west bank of pond.
5 Consider dredging in next two to four years.



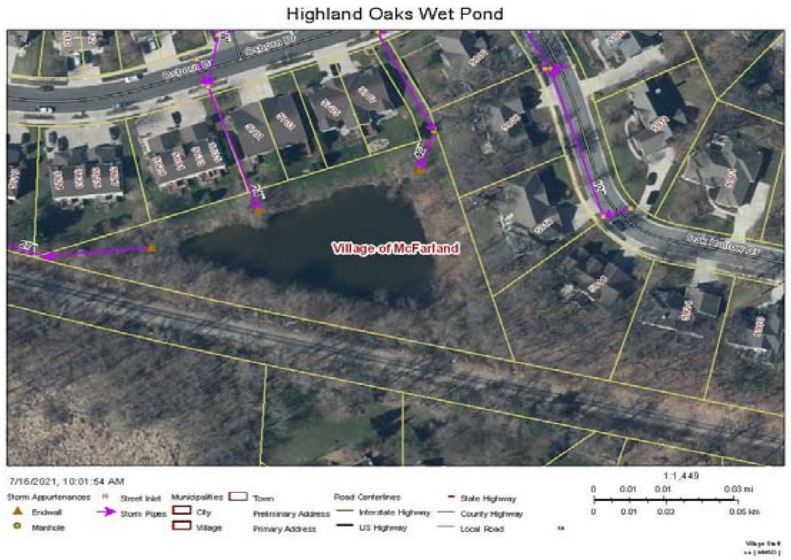
High Track Wet Pond

1 Establish maintenance access route to the pond with easement or agreement with adjoining landowners.
2 Move rocks away from downstream side of CMP inlet apron endwall on southwest side of pond.



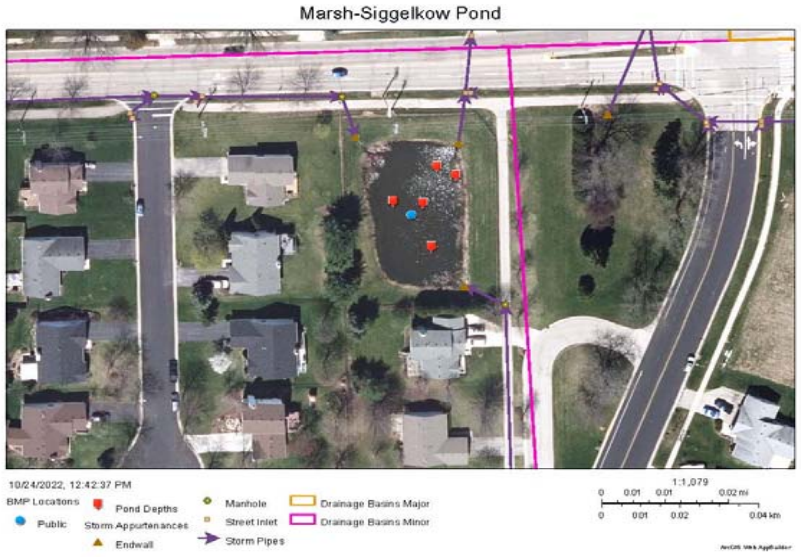
Highland Oaks Wet Pond

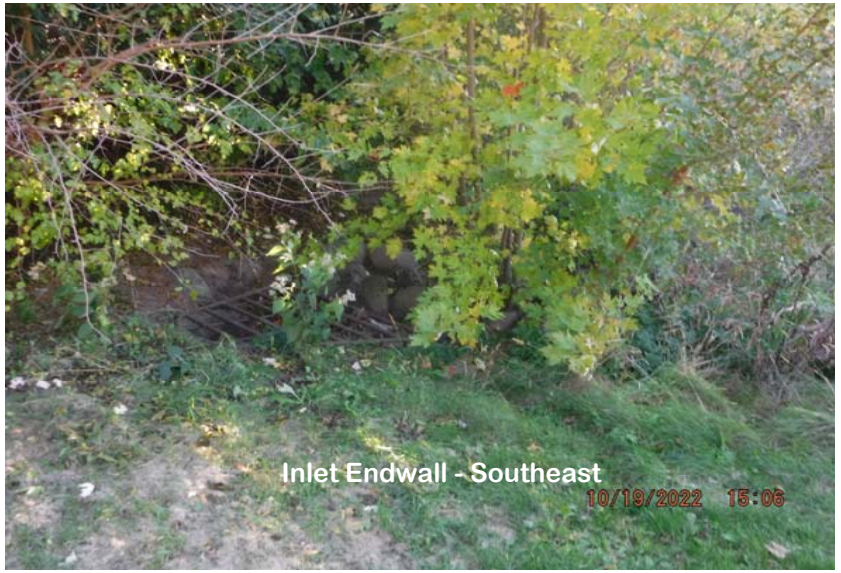
1 Remove trees from arouind the 42" inlet apron endwall in the northeast corner of pond. Add rip-rap on downstream side and stabilize structure.
2 Clear vegetation and remove leaves clogging the inlet apron endwall on the north bank of the pond.
3 Clear the trees and vegetation from around the outlet discharge structure on the west end of the pond



Marsh-Siggelkow Pond

1 Clear the vegetation around the two inlet apron endwalls on the northeast and northwest corners of the pond. Add rip-rap on downstream side of endwalls and stabilize bank.
2 Clear vegetation and debris from around the inlet apron endwall in the southeast corner of the pond.





Meredith Heights Pond

1 Clear vegetation around inlet apron endwall on west end of pond.
2 Clear vegetation around outlet structure.
3 Heavy algea growth.
4 Clear vegetation along banks of disccharge channel on downstream side of outlet structure.
5 Consider dredging in next 5 years.

Osborn-Leeanne Wet Pond

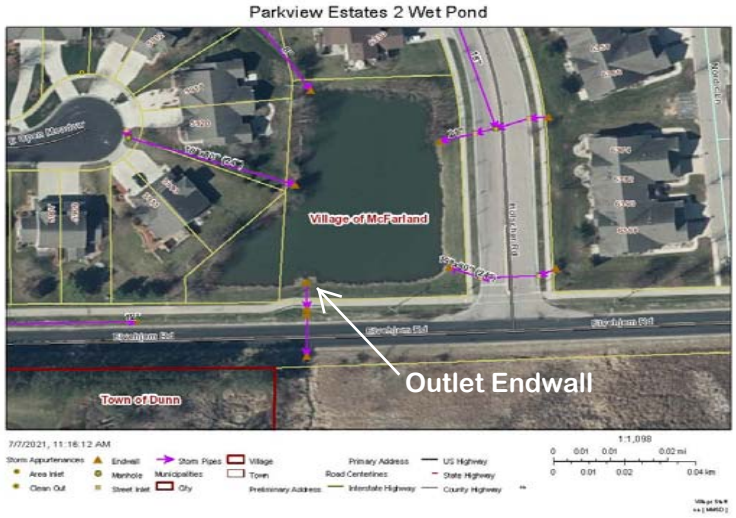
1 Remove vegetation around inlet apron endwall on north bank of pond. Add rip-rap and stablize downstream side of endwall.
2 Remove the trees and vegetation around the 48" inlet apron endwalls in the northwest corner of the pond. Add rip-rap and stabilize downstream side of endwalls

Parkview Estates - Pond 1

1 Clear the vegetation in the area of the outlet structure and outlet apron endwalls at the east end of the pond. Stabilize the bank.
2 Clear vegetation, add rip-rap and stabilize the bank at the inlet apron endwall in the northwest corner of the pond.
3 Clean debris from inlet apron endwall located on the south bank of the pond. Place rip-rap and stabilize slope.

Parkview Estates - Pond 2

1 Clear vegetation from the inlet apron endwalls on the east bank and in the southeast corner of the pond. Add rip-rap and stabilize slopes.
2 Clear vegetation, add rip-rap and stabilize the bank at the outlet apron endwall on the south bank of the pond.
3 Add rip-rap and stabilize slopes at dowstream side of inlet apron endwall on west side of pond.
4 Install HDPE endwall on inlet pipe in northwest corner of pond. Add rip-rap on downstream side.
5 Reconnect apron endwall to outlet pipe on south bank of pond.

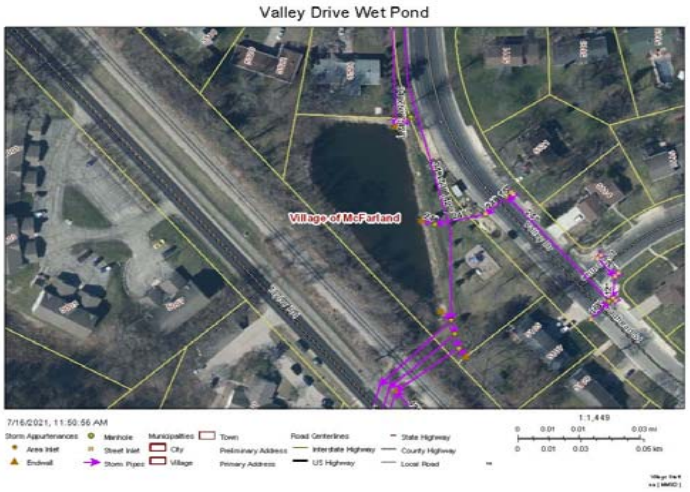


Red Oak Addition

1 Clear vegetation and add rip-rap on downstream side of 24" inlet apron endwall in southeast corner of pond.
2 Clear vegetation and debris from around the 30" inlet apron endwall and stabilize the inlet on the west bank of the pond.
3 Work with the adjacent landowners to establish an equipment access route to the inlet on the west bank of the pond. Landscaping improvements in the pipeline easement restrict access.
4 Clear the vegetation and debris from around the outlet apron endwall and stabilize the bank at the northwest corner of the pond.
5 Clear vegetation, place rip-rap and stabilize the bank at the inlet apron endwall on the north bank of the pond adjacent to the condominiums.

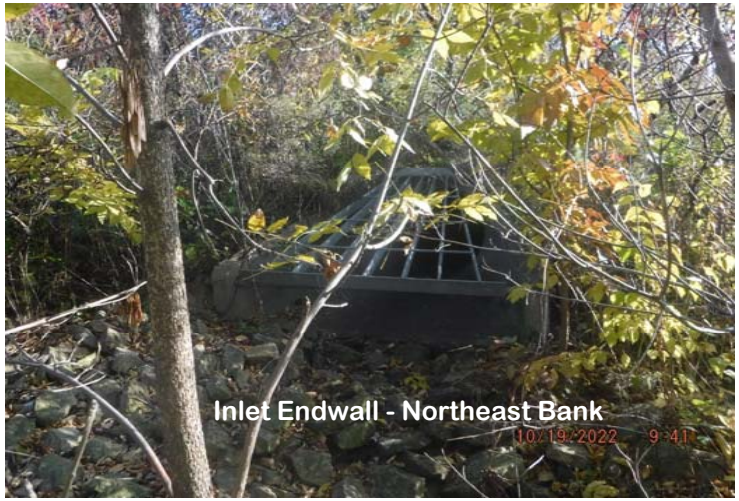
Valley Drive Pond

1 Clean debris from grate on outlet apron endwall in south corner of pond.
2 Clear vegetation around outlet apron endwall.
3 Clear vegetation around 24" inlet apron endwall on east bank
4 Clear debris and vegetation around the two large inlet apron endwalls in the northeast corner of the pond.
5 Install grate on eastern inlet apron endwall in northeast corner of pond.
6 Consider dredging in next 5 years.



Woodland Commons - Pond 1A

1 Establish maintenance access route with easement or agreement.
2 Install grate on inlet apron endwall at south end of pond. Add rip-rap on downstream side of apron endwall.
3 Clear vegetation around inlet apron endwalls on southeast bank of pond.
4 Install rip-rap in eroded channel above and east of inlet pipes on southeast bank
5 Update the storm sewer mapping to include all newer inlet pipes.
6 Clear vegetation from 36" inlet apron endwall on the northeast bank of the pond along Taylor Road.
7 Clear brush and debris from the upstream end of storm pipe crossing Taylor Road to the northeast bank endwall.
8 Consider dredging north area of pond in next two years.
9 Investigate manhole structure on north bank of pond.



Woodland Commons - Pond 1B

1 Establish maintenance access route with easement or agreement.
2 Install grate on outlet apron endwall in northwest corner of pond.
3 Clean up debris and mow grass sideslopes.
4 Consider dredging in next two years.

Maintenance Recommendations

While many BMPs have similar maintenance tasks, there are some differences based on actual design details and configuration of the device. General recommended maintenance tasks are listed below. These recommendations cover items not currently in the Village's BMP inventory, but are listed here to cover the potential future need for such items.

Vegetated and Non-Vegetated Conveyance Swales

1. Limit off-street parking or other activities that may cause rutting or soil compaction in swales and repair as needed.
2. Inspect swales annually to detect and remedy nuisance conditions such as standing water, weeds, woody growth, and trash dumping.
3. Limit the use of pesticides and fertilizer if swale is used for water quality control.
4. State the proper vegetation type and design height for dense vegetation in the maintenance plan, and maintain the specified height when mowing or cutting.
5. Remove sediment when infiltration rates are impeded, sediment accumulation is visible, or if standing water exists for 48 hours after a rainfall/runoff event. Avoid compaction of the soil in the swale during the sediment removal process. After sediment removal, repair any damaged or eroded areas by filling with topsoil that meets appropriate infiltration requirements. If compaction occurs, restore the swale infiltration capacity by mitigating for compaction as described DNR Technical Standards. Mitigation practices can include subsoiling or chisel plowing. Reseed as needed to reestablish vegetation.
6. Implement erosion control measures if erosion during construction or maintenance becomes severe enough to prevent establishment of vegetation. Refer to WDNR Technical Standards "Channel Erosion Mat" (1053), "Mulching for Construction Sites" (1058), and "Seeding for Construction Site Erosion Control" (1059) for further guidance.

Bio-Retention Areas

1. Inspect all components of the BMP at least semi-annually in early Spring and early Autumn; and within 72 hours following any major storm or flood event of sufficient intensity or duration to pose significant risk of damage to the system.
2. Visually inspect (usually during mowing operations) the bio-retention basin monthly to identify and repair eroded areas and remove liter and debris, if applicable.
3. Maintain plants by watering, weeding, hand pulling and/or herbicide applications, restoring plant saucers around planting holes, tightening and repairing any guy

supports, replacing flagging of guy wires, pruning and resetting plants to proper grades or vertical positions, as required to establish healthy, viable plantings. Herbicide treatments shall be performed by licensed applicators who are experienced with native and non-native plant identification. Herbicides will be used in full conformance with label requirements and application techniques will limit overspray and damage to off-target species.

4. Mow native plantings at a frequency to prevent significant flowering and seed set of annual weed species and cover crops. Mowing should be timed to maximize the annual weeds and cover crop cut down in one mowing. Mowing should not be so frequent as to train non-native weeds or cover crops to spread laterally and become shading ground covers. Vegetation should be mowed at a height of approximately 6 inches allowing ample sunlight to still reach the ground after the mowing. Care should be taken during the mowing operation to prevent the creation of any ruts, sources of erosion, or other damage to the basin landscape. Expect two to three mowing applications in the initial growing season after seeding.
5. Apply spot selective invasive weed control treatment on the entire basin area once in the initial growing season, two times in the first full growing season after seeding, two times in the second full growing season after seeding, and three times in the third full growing season after seeding. This can include combinations of hand weed control and selective herbicide treatment. Herbicide treatment can be conducted with tools such as hand held or backpack sprayers. Examples of common invasive species to be controlled from spread are Narrow-leaved cattail and reed canary grass in wetland areas; Canada thistle, Flowering spurge, Common teasel, Sweet clover, Red clover, Wild parsnip are examples of more upland type species to be controlled. Applications to perennial weeds need to occur prior to seed formation of such species. If such species do go to seed, contractor is responsible for cutting the seed heads, bagging them, and removing them from the site. Herbicide applications that are necessary must be performed by qualified personnel trained in the identification of native species and also licensed appropriately for herbicide applications in the state or region in which they are applying.
6. Burning is an excellent management tool for native plantings once established with the methods documented above. Typically after the third full growing season after seeding, a prescribed burn can be conducted at the site. Perform all necessary actions including preparing the burn plans, acquiring necessary permits, and preparing the fire breaks. Adjacent property owners must be notified and appropriate signage shall be placed along roadways.
7. Watering shall be provided every day for the first 10 days after installation, if rainfall is not sufficient. If plantings are planted in spring, water for 3 to 6 weeks after seed placement. If plantings are planted in the fall, water for 3 to 6 weeks in the spring if dry conditions exist until established. Apply water in a manner to preclude puddling, washing and erosion. The equivalent of one-half inch of rainfall per week shall be considered the minimum until germination.
8. All areas of the bio-retention basin where the mulch has been displaced shall be re-mulched as needed. Additional mulch shall be applied annually.
9. Snow shall not be dumped directly onto the bio-retention basin.

10. Repair shall be required when system shows standing water beyond 24 hours of rain event. Cleaning shall consist of removal of sediment, two (2) foot undercut, undercut replacement with material consisting of 70% sand / 30% compost and restoration in-kind. Restoration of plant material shall be by plugging, not seeding alone.
11. Check condition of receiving area at outlet for signs of erosion or sparse vegetation.

Wet and Dry Retention Ponds

1. For wet ponds, require sediment removal once the average depth of the permanent pool is 3.5 ft.
2. Annually inspect inlet and outlet structures, keeping embankments clear of woody vegetation, and providing access to perform the operation and maintenance activities.
3. Annually inspect the forebay and safety shelf and confirm that access routes for personnel and equipment are maintained.
4. Address weed or algae growth and removal, insect and wildlife control and any landscaping practices. Algaecide application requires separate permitting through DNR.

Permeable Pavements

1. Inspect systems at least twice per year. Inspections are recommended to be made during and after heavy rainfalls (eg: 2.9" or more over the area of the pervious pavement system within a 24 hour period). An alternative to inspecting during heavy rainfalls would be to apply sufficient water onto the pervious pavement system to simulate a heavy rainfall. Inspection of the permeable pavement system shall be conducted to evaluate the following:
    a. Pavement Condition – Inspect permeable pavement surfaces for settlement, deformation or cracking.
    b. Surface Infiltration – Inspect permeable pavement surfaces for sedimentation or evidence of ponding.
    c. Drainage – Inspect observation wells 72 hours after a rain event of 0.5 inches or greater to verify that the aggregate storage reservoir is draining down effectively.
    d. Outfalls - Inspect underdrain outfall locations for obstructions and erosion. Run-on Areas – Inspect run-on areas for adequate cover and stability.
2. Clean the pervious pavement at least twice per year using industry recommended methods, such as regenerative air or vacuum sweeping. After vacuuming, the pervious pavement system shall be tested and inspected again for ponding. If ponding still occurs, coordinate the necessary repairs and/or replacement.
3. Prohibit the following activities from occurring on the permeable pavement surface:
    a. Temporary or permanent stockpiling of soil, snow or other material that can potentially cause or contribute to clogging; application of pavement seal-coating; application of sand for deicing.

4. At least once per year measure and record water depth in the observation well at 72 to 80 hours after a rainfall event of 0.5 inches or more during a 24-hour period. Water depth in the observation pipe existing 72 hours after any storm event indicates additional monitoring may be needed to determine if maintenance or corrective action is necessary.

Cost Impacts

The Village operates its own stormwater utility. The revenue from the utility fund all of the construction, maintenance, repairs, and administrative efforts related to stormwater collection, conveyance, and treatment in the Village. The utility revenues in 2022 were $XXX compared to costs of $XXX. The Village is currently examining the rate structure to determine if an increase is warranted to fund further system improvement and the ongoing perpetual maintenance of the growing network.

Additional Considerations- Babcock Channel

Included as an attachment to this report is consideration for the work required to remove accumulated sediment from the navigable channel downstream of the Village's Farwell outfall stormwater treatment lagoon. An exhibit detailing accumulated sediment levels and including an estimate is included as Appendix B.

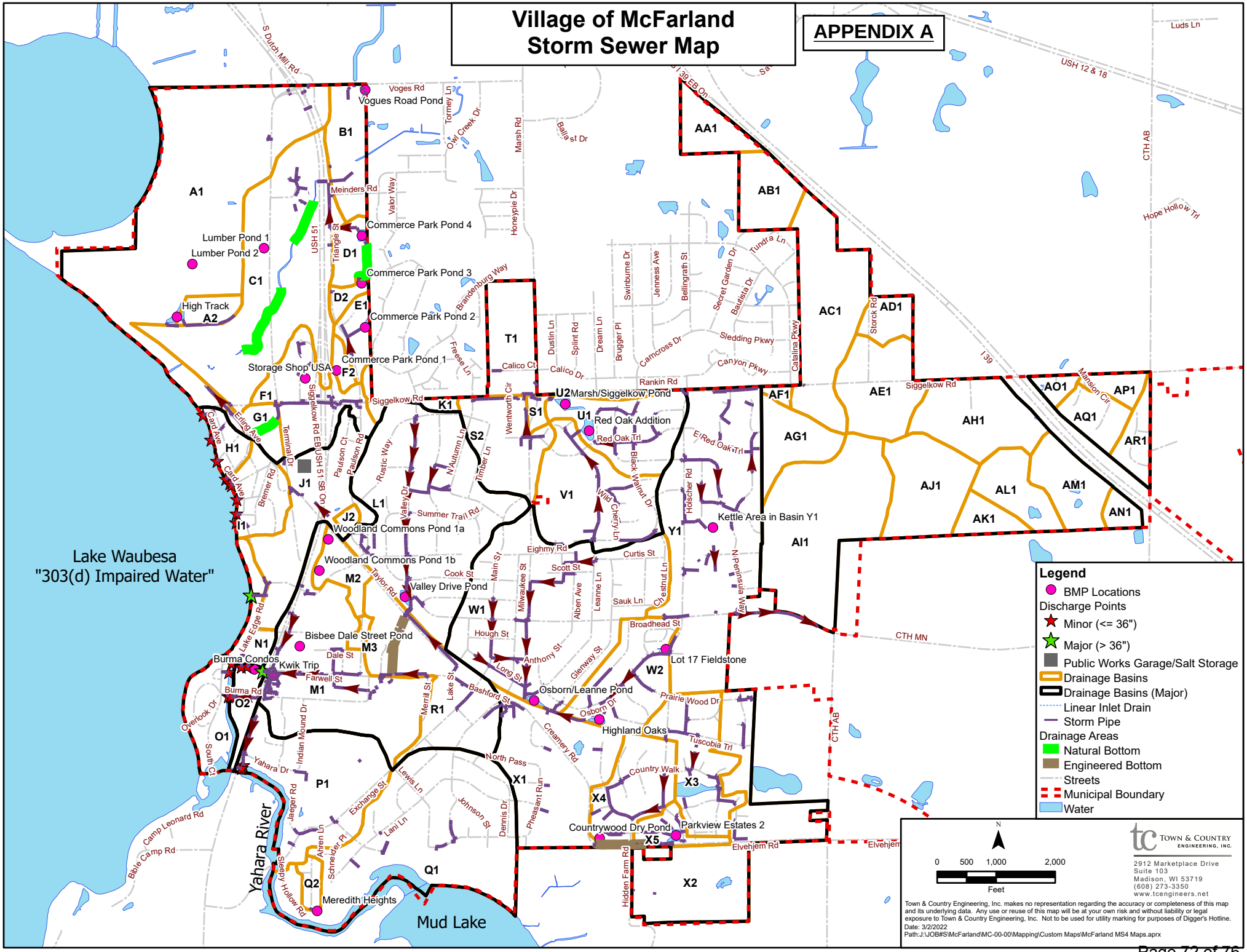
The dredging of this area was considered previously in 2017. At that time, survey was taken of the elevation levels of sediment in the channel to determine the approximate amount of accumulated sediment. These survey measurements were replicated in November 2023 to verify current conditions and determine if additional sediment had accumulated in the channel. Recent survey efforts found that no significant amount of additional sediment buildup had accumulated between 2017 and present day.

The estimated cost for dredging the channel is $875,000. This is representative of approximately 8450 cubic yards of dredging and would achieve an approximate 6 foot depth in the center of the channel at target summer minimum lake levels. This is a preliminary estimate that relies on many assumptions and the work of dredging the channel would have numerous additional details to resolve. If dredging beneath private piers is desired, the piers would need to be removed prior to construction and the overall amount of dredging required would increase. This cost estimate does not include dredging of the channel area beneath Lake Edge Road.

The estimate also assumes that the excavated material would be able to be land applied and that it would not require disposal at a landfill. Testing of the material was completed in 2017. The sampling results from that time indicated that the sediments from both the Babcock Channel and the Village stormwater treatment lagoon were suitable for land application.

Village of McFarland Storm Sewer Map

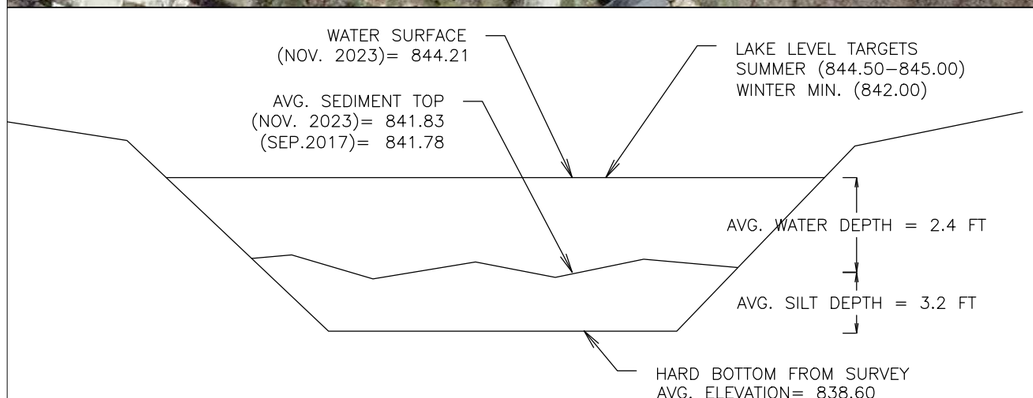
APPENDIX A



TOWN & COUNTRY ENGINEERING, INC.
2912 Marketplace Drive
Suite 103
Madison, WI 53719
(608) 273-3350
www.tcengineers.net

Date: 3/2/2022
Path:J:\JOB#S\McFarland\MC-00-00\Mapping\Custom Maps\McFarland MS4 Maps.aprx

APPENDIX B



TYPICAL SECITON

RESTORATION TO HARD BOTTOM

- REMOVAL OF APPROXIMATELY 8450 CUBIC YARDS WILL ACHIEVE THE HARD BOTTOM FOUND DURING SURVEY
- THIS WOULD ACHIEVE AN APPROXIMATE 6 FOOT DEPTH IN THE CENTER OF THE CHANNEL AT SUMMER MIN. LAKE LEVELS
- ESTIMATED COST = $875,000
- ESTIMATED COST/SHORELINE FOOT = $213/FT FOR 4850 FT
- COST ASSUMES A TRAPEZOIDAL FINISHED CHANNEL, WITH SHALLOWER DEPTHS AT THE SHORELINE THAN IN THE CENTER.
- COST ASSUMES AN AVERAGE CHANNEL EXCAVATION WIDTH OF 60 FEET
- COST DOES NOT INCLUDE DREDGING OF THE CHANNEL PORTION UNDER LAKE EDGE ROAD
- COST DOES NOT INCLUDE DREDGING OF THE VILLAGE STORM WATER TREATMENT LAGOON
- COST DOES NOT INCLUDE WORK PIER REMOVAL AND REPLACEMENT COSTS
- COST ASSUMES DREDGED SEDIMENT MATERIAL IS ABLE TO BE LAND APPLIED

TOWN & COUNTRY ENGINEERING, INC.
6264 Nesbitt Road
Madison, WI 53719
(608) 273-3350
www.tcengineers.net

CHANNEL CONDITIONS
Babcock Channel and Farwell Outfall
Village of McFarland, Wisconsin

PROJECT NO.: MC 216
DRAWING FILE: MC 216 BASE.DWG
DRAWN BY: T.J.S.
CHECKED BY: T.J.S.
DATE: 11-22-23
REVISIONS:
SCALE: 0 35 70
SHEET: 1

PUBLIC UTILITIES /PUBLIC WORKS JOINT COMMITTEE MINUTES

Tuesday, September 19, 2017 **6:00 P.M.** **McFarland Municipal Center**
Firemen's Training Room

Committee Members Present: Mary Pat Lytle, Carolyn Clow, Stephanie Brassington, Jerry Adrian, Ernie Peterson, Marv Myers, Chris Fredrick, Marc Nielsen, Craig Weiss, Richard Vela, Elizabeth Bohuski, Don Miller, and Ron Allen.

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

Others Present: Jim Zirbel (6107 South Court)

Call to Order Public Utilities Committee Meeting: Mary Pat Lytle called the Utility Meeting together at 6:00 pm

Call to Order Public Works Committee Meeting: Carolyn Clow called the Public Works Committee together at 6:00 pm

Discussion and action to appoint a Chairperson of the Joint Meeting: Mary Pat Lytle was appointed Joint Chairperson.

Public Comment for Joint Meeting.

Jim Zirbel presented his perspective of the channel and the concerns the abutting residents have regarding the depth of the water running through the Babcock Channel. He believes the sedimentation in the bottom of the channel is from the storm water coming out of the gabion wall fore bay structure and has built up over the years. His belief is that the channel used to be deeper which allowed easier access for those residents who moor their boats adjacent to their property. His underlying request is that the Village dredge the channel to make it deep enough for residents to navigate their boats out into the lake.

General Business of Joint Committees.

a. **Discussion and possible action regarding the maintenance / dredging of the Babcock Park Channel**.

Brian Berquist of Town & Country Engineering gave a presentation on the Babcock Channel. An aerial picture was displayed dating back to 1937 showing the channel existed at that time. Staff has been unable to obtain documentation to substantiate if or when the channel has ever been dredged. It is believed that the channel was

previously dredged 20 – 40 years ago. We know the gabion fore bay was dredged in 2006.

During the 2006 effort, a substantial amount of sediment was removed from the forebay area and the gabion moved as far downstream (west) as could be done and still make it reasonably maintainable from the Village access point.

Survey of the current top-of-sediment, bottom-of-sediment, and water level was completed in October 2016 at the direction of the Village Public Works Committee. Subsequent analysis showed that approximately 1.5 feet of sediment (on average) exists above the more firm native soils along the entire channel. This is also representative of conditions found in the forebay area.

There are several options available to the Village:

-Do nothing
-Clean out the forebay only at this time, as part of routine and recurring maintenance to the stormwater management feature
-Clean out all sediment above the firm native soils in the entire channel and forebay
-Clean out additional soils to achieve a 6-foot depth to re-create what some long-time residents of the area recall as the channel depth

The forebay as it currently exists provides a water depth of approximately 3.5 feet. This indicates that the recommended water depth of 3.0 feet commonly used to allow for sediment to settle out of the water could continue for 1-3 years, depending on the amount of precipitation and level of sediment being washed from upstream areas.

Dredging the channel much deeper than the firm native soils could create rapid re-sedimentation because of the fixed elevation of the dam/lock configuration just downstream of this area in Babcock Park.

In any case, stormwater utility funds would be a likely source to cover costs associated with the forebay. The more difficult decision is whether costs beyond the stone gabion structure (which are considered to have more recreational benefit) should be assessed (fully or partially) to the adjacent residents.

Mary Pat Lytle made a motion to recommend to Village Board to approve the dredging of the lagoon from Highway 51 to the gabion wall for a cost of $75,000. Craig Weiss seconded. Motion failed (5 yes – 8 no)

Chris Fredrick made a motion to dredge the lagoon from Highway 51 to the gabion wall and nothing else when staff identifies the need for the lagoon to be dredged. Carolyn Clow seconded and the motion passed (12 yes – 1 no)

b. **Update regarding Public Works projects on going in the Village**.

Director Coville gave a brief status update on various projects throughout the Village. A comprehensive list and status of all major projects was included in the packet.

Adjournment: Motion by Jerry Adrian to adjourn at 8:07 pm and seconded by Marv Myers. Motion passed by unanimous consent.

Respectfully submitted by Brian Berquist and Allan Coville