

CITY OF EDGERTON
UTILITIES COMMISSION
EDGERTON CITY HALL
12 ALBION STREET

Monday, September 11, 2023 at 5:45 p.m.

NOTICE: The meeting noticed above will also be live streamed on a Zoom platform: To view the meeting, please select the link to the meeting listed on the **calendar events** on the City website's home page at www.cityofedgerton.com. Due to occasional technical difficulties, citizen participation via Zoom may not be possible.

1. Call to Order; Roll Call.
2. Confirmation of Meeting Notice on Friday, September 8, 2023.
3. Personal appearances for non-agenda items limited to 3 minutes.
4. Consider August 14, 2023 Utility Commission Minutes.
5. Consider Overpayment Refund Request for 414 Randolph St.
6. Consider Vouchers Payable.
7. Discuss and Consider Overpayment Refund Policy.
8. Discuss and Consider 2024 Water & Sewer Forecast.
9. Discuss and Consider 2024 Water & Sewer Rate Increase.
10. Operator's Reports.
11. Director's Report.
12. Administrative Report.
13. Adjourn.

Cc: All Commission Members All Council Members
 Department Heads Newspapers

NOTICE: If a person with a disability requires that the meeting be accessible or that materials at the meeting be in an accessible format, call the City Administrator's office at least 6 hours prior to the meeting to request adequate accommodations. Telephone: 608-884-3341

Notice is hereby given that a majority of the Common Council is expected to be present at the above scheduled noticed meeting to gather information about a subject over which they have decision making responsibility. The only action to be taken at this meeting will be action by the Utilities Commission.

**AUGUST 14, 2023 UTILITY COMMISSION MEETING MINUTES
CITY OF EDGERTON**

Chairperson Kapellen called the meeting to order at 5:45 p.m.

Present: Paul Davis, Shawn Prebil, Jim Kapellen, Lawanna Schieldt, Denise Langan, Rick Petersen and Todd Wescott

Others Present: City Administrator Ramona Flanigan, Municipal Services Director Howard Moser and citizens.

Flanigan confirmed the meeting agenda was properly posted on Friday, August 11, 2023 at the Post Office, Edgerton Library, City Hall and the City's website.

MINUTES: A Paul Davis/Lawanna Schieldt motion to approve the July 10, 2023 Utility Commission meeting minutes passed, all voted in favor.

OVERPAYMENT REFUNDS: A Paul Davis/Denise Langan motion to approve the overpayment refunds for 1253 Salem Dr in the amount of \$99.59; 510 Falk Dr in the amount of \$170.93; and 1107 Blaine St in the amount of \$128.00 passed on a 7/0 roll call vote.

OVERPAYMENT REFUND FOR THE EDGERTON CONSERVATION CLUB: A Rick Petersen/Todd Wescott motion to approve the overpayment refund for the Edgerton Conservation Club in the amount \$2,876.99 passed on a 7/0 roll call vote.

VOUCHERS PAYABLE: A Jim Kapellen/Shawn Prebil motion to approve vouchers payable in the amount of \$69,301.67 passed on a 7/0 roll call vote.

LEAK CREDIT: A Jim Kapellen/Shawn Prebil motion to approve a leak credit at 701 Blaine St for sewer only in the amount of \$250 passed on a 7/0 roll call vote.

Being no other business before the Commission, a Paul Davis/Lawanna Schieldt motion to adjourn passed, all voted in favor.

Howard Moser/mjd
Municipal Services Director

Location: 414 RANDOLPH ST
 HUSTAD, BAILEY
 414 RANDOLPH ST
 EDGERTON WI 53534
 54260
 08/15/2023
 09/30/2023
 06/30/2023
 12/31/2023
 03/31/2023
 09/30/2023
 06/30/2023
 12/31/2021
 12/31/2020

Display Compare History Transactions Customer Services Location Meters Backflow Contracts Loans Certification Credit History Supplemental
 Detail Billed Usage Chart Billed Amount Chart Billing Chart

	09/30/2023	08/15/2023	06/30/2023	12/31/2023	03/31/2023	09/30/2023	06/30/2023	12/31/2022	03/31/2022	12/31/2021	12/31/2020	Display
WATER	.00	31.73	.00	.00	.00	.00	.00	.00	.00	.00	.00	Amounts
WATER usage	0	6	0	0	0	0	0	0	0	0	0	Usages
SEWER	.00	61.53	.00	.00	.00	.00	.00	.00	.00	.00	.00	Payment detail
PUBLIC FIRE PROTECTION	.00	12.57	.00	.00	.00	.00	.00	.00	.00	.00	.00	Adjustment detail
STORM WATER	.00	3.70	.00	.00	.00	.00	.00	.00	.00	.00	.00	Summarize by
SIDEWALK UTILITY	.00	1.02	.00	.00	.00	.00	.00	.00	.00	.00	.00	Detail
RECONNECT - WATER	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	• Service
RECONNECT SEWER	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	Service category
PENALTY-WATER	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	
PENALTY-SEWER	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	
PENALTY-STORM WATER	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	
PENALTY - SIDEWALK	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	
Total charges	110.55	110.55	.00	.00	.00	.00	.00	.00	.00	.00	.00	
Previous balance	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	
Payments	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	
Adjustments	296.44-	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	
	185.89-	110.55	.00	.00	.00	.00	.00	.00	.00	.00	.00	

Report Criteria:

Detail report.
 Invoices with totals above \$0 included.
 Paid and unpaid invoices included.
 Invoice Detail.Input Date = 09/08/2023
 Invoice Detail.Voided = No

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voi
60180821221								
21 ch	ALLIANT ENERGY	AUG 23 23641	AUG 23 236416 ELECTRIC CHARGES	09/08/2023	31.52	.00		
21 ch	ALLIANT ENERGY	AUG 23 42290	AUG 23 422906 ELECTRIC CHARGES	09/08/2023	5,444.08	.00		
21 ch	ALLIANT ENERGY	AUG 23 48150	AUG 23 481500 ELECTRIC CHARGES	09/08/2023	56.98	.00		
21 ch	ALLIANT ENERGY	AUG 23 88165	AUG 23 881653 ELECTRIC CHARGES	09/08/2023	810.99	.00		
Total 60180821221:					6,343.57	.00		
60180821224								
21 ch	ALLIANT ENERGY	AUG 23 42290	AUG 23 422906 GAS CHARGES	09/08/2023	26.87	.00		
21 ch	ALLIANT ENERGY	AUG 23 88165	AUG 23 881653 GAS CHARGES	09/08/2023	15.38	.00		
Total 60180821224:					42.25	.00		
60180827340								
194 ch	DEEGAN'S HARDWARE INC	AUG 2023	DEEGAN'S AUG 2023- SEWER	09/08/2023	70.45	.00		
259 ch	FASTENAL COMPANY	WIJAN252088	ABSORBENT PADS	09/08/2023	91.61	.00		
2023 c	USA BLUEBOOK	INV00094626	PH BUFFER, BALL VALVE, ADAPTER, COUPL	09/08/2023	159.88	.00		
2023 c	USA BLUEBOOK	INV00094650	COUPLINGS, PH BUFFER	09/08/2023	76.04	.00		
3458 c	MULCAHY SHAW WATER INC	325319	KIT, SENSOR CABLE W/ GREASE	09/08/2023	203.34	.00		
3557 c	DAVE'S MILTON ACE HARDWAR	D76937	DISTILLED WATER	09/08/2023	7.98	.00		
3557 c	DAVE'S MILTON ACE HARDWAR	D80547	PACKING TAPE, FREEZER BAGS	09/08/2023	16.98	.00		
5020 c	UNITED LABORATORIES	INV385370A	WWTP BACT POUCH	09/08/2023	1,057.25	.00		
Total 60180827340:					1,683.53	.00		
60180828385								
3404 c	BURNS FULL SERVICE LLC	AUG 2023	AUG 2023 GAS/DIESEL CHARGES - SEWER	09/08/2023	250.88	.00		
Total 60180828385:					250.88	.00		
60180828514								
2209 c	BAER INSURANCE SERVICES I	7198	3 OF 4 QTRLY 23-24 AUTO	09/08/2023	536.63	.00		
Total 60180828514:					536.63	.00		
60180831340								
4091 c	G FOX AND SON	81123	HUBERT ST MANHOLE	09/08/2023	2,750.00	.00		
Total 60180831340:					2,750.00	.00		
60180833340								
194 ch	DEEGAN'S HARDWARE INC	AUG 2023	DEEGAN'S AUG 2023- WWTP	09/08/2023	21.97	.00		
3161 c	MENARDS	090220	WWTP SUPPLIES	09/08/2023	156.88	.00		
4462 c	GREGG MARTIN INSTRUMENTA	44204	WWTP-GAS DETECTION SYSTEM CALIBRAT	09/08/2023	1,700.00	.00		
5184 c	BUMPER TO BUMPER EDGERT	625-368053	OIL FILTER, RAGS	09/08/2023	140.51	.00		
5184 c	BUMPER TO BUMPER EDGERT	625-368054	PARTS FOR WWTP GEN	09/08/2023	40.78	.00		
Total 60180833340:					2,060.14	.00		

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voi
60180834340								
194 ch	DEEGAN'S HARDWARE INC	AUG 2023	DEEGAN'S AUG 2023- WWTP	09/08/2023	115.92	.00		
Total 60180834340:					115.92	.00		
60180840311								
561 ch	PITNEY BOWES GLOBAL FINAN	3317940044	LEASE PERIOD 06/30/23 - 09/29/23	09/08/2023	7.74	.00		
3557 c	DAVE'S MILTON ACE HARDWAR	D76937	SHIPMENT OF SAMPLES	09/08/2023	33.36	.00		
3557 c	DAVE'S MILTON ACE HARDWAR	D80547	SHIPMENT OF SAMPLES	09/08/2023	75.95	.00		
Total 60180840311:					117.05	.00		
60180843740								
5591 c	HUSTED, BAILEY	SEPT 2023	OVERPAYMENT REFUND 414 RANDOLPH ST	09/08/2023	103.16	.00		
Total 60180843740:					103.16	.00		
60180850225								
130 ch	US CELLULAR	0599447016	WWTP IPAD MONTHLY SERVICE COST & DA	09/08/2023	31.25	.00		
4659 c	CENTURYLINK	656423470	SEPT 2023 LONG DISTANCE CHARGES	09/08/2023	.17	.00		
5214 c	GRANITE TELECOMMUNICATIO	615501895	WWTP LINE CHARGES	09/08/2023	160.36	.00		
5214 c	GRANITE TELECOMMUNICATIO	615501895	608-884-3341 SEWER	09/08/2023	141.92	.00		
Total 60180850225:					333.70	.00		
60180852210								
206 ch	DIGGERS HOTLINE INC	230 8 52801	AUG 2023 LOCATE TICKETS	09/08/2023	54.81	.00		
660 ch	WI STATE LABORATORY OF HY	753708	E COLI TESTING - WWTP	09/08/2023	172.00	.00		
812 ch	EUROFINS ENVIRONMENT TES	5000123790	WASTEWATER ANALYSIS	09/08/2023	1,008.00	.00		
3883 c	ABSOLUTE MOBILE TESTING L	123-190A	DRUG AND ALCOHOL TESTING - SEWER	09/08/2023	80.50	.00		
Total 60180852210:					1,315.31	.00		
60180853510								
2209 c	BAER INSURANCE SERVICES I	7198	3 OF 4 QTRLY 23-24 LIABILITY	09/08/2023	3,554.58	.00		
Total 60180853510:					3,554.58	.00		
60180853511								
2209 c	BAER INSURANCE SERVICES I	7198	3 OF 4 QTRLY 23-24 WORKERS COMP	09/08/2023	971.73	.00		
Total 60180853511:					971.73	.00		
60180854153								
2887 c	DELTA DENTAL OF WISCONSIN	2000032A	SEPT 2023 DENTAL INSURANCE	09/08/2023	288.48	.00		
Total 60180854153:					288.48	.00		
60180854154								
779 ch	WI DEPT OF EMPLOYEE TRUST	OCT 2023	OCT 2023 HEALTH INSURNACE	09/08/2023	4,877.82	.00		
Total 60180854154:					4,877.82	.00		
60180854155								
490 ch	SECURIAN FINANCIAL GROUP,	OCT 2023	OCT 2023 LIFE INSURANCE	09/08/2023	70.14	.00		

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voi
Total 60180854155:					70.14	.00		
60280602340								
21 ch	ALLIANT ENERGY	AUG 23 37005	AUG 23 370054 GAS AND ELECTRIC CHARG	09/08/2023	70.42	.00		
Total 60280602340:					70.42	.00		
60280622221								
21 ch	ALLIANT ENERGY	AUG 23 21330	AUG 23 213303 ELECTRIC CHARGES	09/08/2023	49.47	.00		
21 ch	ALLIANT ENERGY	AUG 23 22700	AUG 23 227005 ELECTRIC CHARGES	09/08/2023	24.91	.00		
21 ch	ALLIANT ENERGY	AUG 23 35777	AUG 23 357770 ELECTRIC CHARGES	09/08/2023	403.17	.00		
21 ch	ALLIANT ENERGY	AUG 23 36096	AUG 23 360963 ELECTRIC CHARGES	09/08/2023	1,410.46	.00		
21 ch	ALLIANT ENERGY	AUG 23 71524	AUG 23 715243 ELECTRIC CHARGES	09/08/2023	1,417.89	.00		
600 ch	ROCK ENERGY COOPERATIVE	AUG 23 90363	90363001 WATER TOWER LIGHT	09/08/2023	22.99	22.99	08/22/2023	
Total 60280622221:					3,328.89	22.99		
60280622224								
21 ch	ALLIANT ENERGY	AUG 23 22700	AUG 23 227005 GAS CHARGES	09/08/2023	14.70	.00		
21 ch	ALLIANT ENERGY	AUG 23 35777	AUG 23 357770 GAS CHARGES	09/08/2023	14.70	.00		
Total 60280622224:					29.40	.00		
60280630210								
660 ch	WI STATE LABORATORY OF HY	752143	FLUORIDE AND WATER TESTING	09/08/2023	613.00	.00		
Total 60280630210:					613.00	.00		
60280631340								
2624 c	MARK'S CHEMICAL LLC	14955	HFS AND SODIUM HYPOCHLORITE SOLUTI	09/08/2023	780.00	.00		
5473 c	HAWKINS INC	6558532	PHOSPHATE	09/08/2023	1,427.37	.00		
Total 60280631340:					2,207.37	.00		
60280632340								
194 ch	DEEGAN'S HARDWARE INC	AUG 2023	DEEGAN'S AUG 2023- WATER TREATMENT	09/08/2023	207.16	.00		
3404 c	BURNS FULL SERVICE LLC	AUG 2023	ICE FOR SAMPLES-WATER	09/08/2023	3.99	.00		
Total 60280632340:					211.15	.00		
60280652340								
194 ch	DEEGAN'S HARDWARE INC	AUG 2023	DEEGAN'S AUG 2023- WATER SERVICES	09/08/2023	18.99	.00		
Total 60280652340:					18.99	.00		
60280658820								
4091 c	G FOX AND SON	81123	LEAD LATERAL REPLACEMENT ON HENRY	09/08/2023	2,350.00	.00		
Total 60280658820:					2,350.00	.00		
60280903311								
561 ch	PITNEY BOWES GLOBAL FINAN	3317940044	LEASE PERIOD 06/30/23 - 09/29/23	09/08/2023	7.74	.00		
Total 60280903311:					7.74	.00		

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voi
60280904740								
5591 c	HUSTED, BAILEY	SEPT 2023	OVERPAYMENT REFUND 414 RANDOLPH ST	09/08/2023	74.70	.00		
Total 60280904740:					74.70	.00		
60280920225								
130 ch	US CELLULAR	0599447016	WATER DEPARTMENT CELL PHONE & DATA	09/08/2023	22.78	.00		
3534 c	CHARTER COMMUNICATIONS	010138408192	WATER DEPT INTERNET	09/08/2023	40.00	.00		
4659 c	CENTURYLINK	656423470	SEPT 2023 LONG DISTANCE CHARGES	09/08/2023	.17	.00		
5214 c	GRANITE TELECOMMUNICATIO	615501895	608-884-3341 WATER	09/08/2023	141.92	.00		
Total 60280920225:					204.87	.00		
60280923210								
206 ch	DIGGERS HOTLINE INC	230 8 52801	AUG 2023 LOCATE TICKETS	09/08/2023	54.81	.00		
3883 c	ABSOLUTE MOBILE TESTING L	123-190A	DRUG AND ALCOHOL TESTING - WATER	09/08/2023	80.50	.00		
4642 c	DAVY LABORATORIES	23I0057	SDWA SOC	09/08/2023	2,334.00	.00		
Total 60280923210:					2,469.31	.00		
60280924510								
2209 c	BAER INSURANCE SERVICES I	7198	3 OF 4 QTRLY 23-24 LIABILITY	09/08/2023	930.83	.00		
Total 60280924510:					930.83	.00		
60280925511								
2209 c	BAER INSURANCE SERVICES I	7198	3 OF 4 QTRLY 23-24 WORKERS COMP	09/08/2023	679.81	.00		
Total 60280925511:					679.81	.00		
60280926153								
2887 c	DELTA DENTAL OF WISCONSIN	2000032A	SEPT 2023 DENTAL INSURANCE	09/08/2023	368.52	.00		
Total 60280926153:					368.52	.00		
60280926154								
779 ch	WI DEPT OF EMPLOYEE TRUST	OCT 2023	OCT 2023 HEALTH INSURNACE	09/08/2023	5,858.43	.00		
Total 60280926154:					5,858.43	.00		
60280926155								
490 ch	SECURIAN FINANCIAL GROUP,	OCT 2023	OCT 2023 LIFE INSURANCE	09/08/2023	95.95	.00		
Total 60280926155:					95.95	.00		
60280933385								
3404 c	BURNS FULL SERVICE LLC	AUG 2023	AUG 2023 GAS/DIESEL CHARGES - WATER	09/08/2023	610.41	.00		
Total 60280933385:					610.41	.00		
60280933514								
2209 c	BAER INSURANCE SERVICES I	7198	3 OF 4 QTRLY 23-24 AUTO	09/08/2023	536.63	.00		
Total 60280933514:					536.63	.00		
Grand Totals:					46,081.31	22.99		

Vendor	Vendor Name	Invoice Number	Description	Invoice Date	Net Invoice Amount	Amount Paid	Date Paid	Voi
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GRAND TOTAL: \$46,081.31
September 11, 2023
Vouchers Payable submitted By: Maddie Deegan, Administrative Assistant

James Kapellen (Chairperson)

Paul Davis (Aldersperson)

Shawn Prebil (Aldersperson)

Report Criteria:
Detail report.
Invoices with totals above \$0 included.
Paid and unpaid invoices included.
Invoice Detail.Input Date = 09/08/2023
Invoice Detail.Voided = No

TO: Utility Commission

FROM: Wendy

MEETING DATE: September 11, 2023

Overpayment Refund for Terminated Accounts Policy:

Currently the Utility refunds **overpayments** on terminated accounts by a motion from the agenda and then again on the bills list.

Staff is requesting the step requiring a separate motion be eliminated for the overpayment refunds process.

The process for approval on billing **write-offs** and **billing credits** would continue to require a motion to be approved by the Commission.

Memo

To: Utilities Commission

From: Staff

Date: 9/7/2023

Re: 2024 Forecast

Each year the Utility Commission reviews the five-year updated financial forecast for the utilities. This analysis provides a long-term view of the financial health of the utilities; it is used to make decisions about projects, staffing, and other operating expenses; and it provides the basis for determining if a rate increase or a borrowing are needed **for the next year**.

The forecast is largely driven by capital projects and equipment. The capital projects and equipment shown on the attached lists are included in the forecasts. The following is the summary of the forecast for each utility.

Water Utility

The Public Service Commission establishes eligibility criteria for the simplified rate increase process. According to PSC regulations, the water utility is eligible for a simplified rate increase of 8.0% this year based on the Utility's rate of return. An 8% rate increase would produce an estimated \$80,700 in annual revenue. The last water rate increase was in 2023.

Capital and Operating Costs: The forecast includes almost \$2.9 million in capital projects over the next 5 years. Please recall the forecast is built on an assumption of a 4% increase in operating costs each year. The forecast includes the following increases in operating costs:

- After the first full year of adding chemicals to address the lead exceedance issue, it is clear the chemical costs will be higher than originally anticipated. (Estimated annual increase of \$15,000)
- The DNR has indicated we need to change out more water meters each year to stay in compliance with DNR regulations which will increase costs. Additionally, the utility has to pay for the meters provided to new customers. The Utility has had more new customers with development of the new subdivisions. The cost of all meters has increased and the new radio read meters are also more expensive. (Estimated annual increase of \$25,000)
- In an effort to retain staff during this time when it is difficult to attract new employees, the City Council adjusted the pay scale in 2022 to provide longevity pay and will be considering other measures such as greater than normal wage increases to retain staff.
- Health insurance rates will increase by 14% and retirement costs will also increase next year. (Estimated increase of \$6,500).

Lead Lateral Project: Regarding the lead lateral replacement program, the forecast includes the following:

- replacement of the remaining 80 private side lead laterals;

- Replacement of the remaining 72 public side laterals.

Funding for this work includes:

- Borrowing for the public laterals that were replaced in 2022;
- Borrowing for the public side laterals that will be replaced in 2024; and
- Borrowing for 50% of the cost to replace the remaining private side laterals with the assumption that the Utility will be awarded a 50% grant (award announcement expected in the next month)

Water Utility

Scenarios: The attached water utility forecast summary tests several scenarios. All scenarios include the following: completion of the lead lateral replacement project in 2024; an assumption that the utility will receive 50% grant funding for the private side lead lateral replacement component of the project; and borrowing for Quigley Street. We will not know if we will receive the private side lead lateral grant until the fall of 2023.

Scenario 1: Having no rate increases over the next 5 years and no borrowing (other than those mentioned above). This results in a need for large rate increases every year.

Scenario 2: Having an 8% rate increase and no other rate increases over the next 5 years, using \$100,000 each year of Utility cash to pay for projects, and borrowing for all other project costs. This scenario results in a relatively stable cash position and no additional required rate increases in the next 5-year period.

Scenario 3: Having no rate increases over the next 5 years, using \$100,000 each year of Utility cash to pay for projects, borrowing for all other project costs, and not doing a capital project in 2025. This scenario results no required rate increase but also leaves almost no cash in the last year. This option will not be sustainable over the long-term meaning there will have to be some rate increases at some point in the next 5 years.

Scenario 4: Having no rate increase in 2024 and having 3% increases in each of the subsequent years, using \$100,000 each year of Utility cash to pay for projects, and borrowing for all other project costs. This results in somewhat low, but relatively stable cash.

Summary: The forecast indicates that the Utility cannot complete the projects listed by implementing inflationary rate increases alone and also that the Utility cannot complete the projects without borrowing for some portion of the capital projects. Scenarios that deplete cash over the 5-year period are not sustainable and would eliminate the commission's ability to pay for any part of projects out of rates over time thus requiring more borrowing. Delaying capital projects by one year would help the Utility's cash position but delaying projects for several years is not sustainable.

Recommendation: Staff recommends the Utility Commission select Scenario 2 as the preferred alternative meaning there would be an 8% rate increase next year and the utility would continue with the lead lateral program next year. If the Commission elects to not recommend a rate increase, staff recommends the Commission recommend Scenario 3 in which the capital projects from 2025 on, are moved back one year. An 8% water rate increase would result in a \$5.61 / quarter increase in costs for the average residential customer.

Sewer Utility

A few notable changes to the forecast from last year include a TIF paying for all of the Henry Street reconstruction project.

The sewer utility is not regulated by the PSC so the Commission and the City Council determine the rates.

The last sewer rate increase was a 3% increase in 2021.

Scenarios: The attached sewer utility forecast summary tests three scenarios:

Scenario 1: Having no rate increase and no borrowing for any projects provides the utility with adequate but declining cash over the 5 year period. This indicates that an adjustment to rates and/or expenses will be required in the future.

Scenario 2: Having no rate increase and no borrowing for any projects and paying an extra \$37,000 to reduce the loan term on the WWTP Rural Development loan by about 4.5 years. This shows positive but quickly declining cash over the five years.

Scenario 3: Have a 3% rate increase in 2024, do not borrow for projects, and paying an extra \$37,000 to reduce the loan term on the WWTP Rural Development loan by about 4.5 years. The 3% rate increase provides a new revenue stream adequate to pay for the increase loan payments.

Recommendation: Because the Utility is earning a higher interest rate on its investment than the interest charges on the loan, staff recommends the Utility only make a prepayment of the WWTP loan in 2024 if there is a 3% rate increase to cover the prepayment amount.

EDGERTON WATER UTILITY							
Capital Improvements							
	Actual	Forecasted					
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Capital Projects:							
S. Main St watermain	19,064						
wellhouse 4 improvements							
Wellhouse 3 improvements							
Wellhouse 2 improvements							
East Water Tower painting							
West Water Tower painting					225,000		
Stoughton Rd							
Rollin - N Main to Albion							
Rollin - Stoughton to Albion						-	280,800
Quigley St		330,882					
Maple Court							
Developer contributions							
Washington St						-	351,000
Henry St main replacement	-						
Crescent and Ridgeway					215,280		
Public side lead laterals	642,649		600,000				
Private side lead laterals			700,000				
Albion St (Rollin to Ridgeway)			289,773				
Albion St (Rollin to Fulton)				202,337			
Scada system upgrade			100,000				
Leak Detector survey							
Corrosion Control Equip Install	18,038						
Miscellaneous							
Contributed assets to other funds							
Equipment:							
Hydrants	-	12,000	10,000	10,000	10,000	10,000	10,000
Meters	44,096	40,000	45,000	40,000	40,000	40,000	40,000
Loader	27,900						
Pickup truck	26,926						
Elevated Tank Inspections							
East Tank Control Enclosure							
Replace Van							
Miscellaneous	<u>22,013</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Change in CWIP	(15,423)						
Total	<u>\$ 785,264</u>	<u>\$ 402,882</u>	<u>\$ 1,764,773</u>	<u>\$ 272,337</u>	<u>\$ 510,280</u>	<u>\$ 421,000</u>	<u>\$ 350,800</u>
FINANCING SUMMARY:							
Utility	139,535	(570,649)	72,663	272,337	170,280	(11,000)	350,800
Debt		973,531	1,342,110		340,000	432,000	-
General Fund	-	-	-	-	-	-	-
TIF Funded	-	-	-	-	-	-	-
Special Assessment	-	-	-	-	-	-	-
Trade-in vehicle	-	-	-	-	-	-	-
Grants	<u>645,729</u>	-	<u>350,000</u>	-	-	-	-
	<u>\$ 785,264</u>	<u>\$ 402,882</u>	<u>\$ 1,764,773</u>	<u>\$ 272,337</u>	<u>\$ 510,280</u>	<u>\$ 421,000</u>	<u>\$ 350,800</u>

EDGERTON WATER UTILITY
Summary of Forecast/Rate Increases

Alt	Rate Increases	2023	2023	2024	2024	2025	2025	2026	2026	2027	2027	2028	
		Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed
1	- No rate increase - Replace and borrow for all public side laterals 2022 and 2024 - Pay and borrow for half the cost of remaining private laterals (assume 50% grant) - Borrow for Quigley - Do not borrow for any other projects	23,695	0.00%	(222,419)	21.98%	(307,361)	30.34%	(657,132)	64.77%	(930,494)	91.59%	(1,124,015)	110%
2	- 8% rate increase in 2024 - Replace and borrow for all public side 2022 and 2024 laterals - Pay and borrow for half the cost of remaining private laterals (assume 50% grant) - Borrow for Quigley - Use \$100,000 cash for capital projects 2024-2028 and borrow for all other project costs	23,695	0.00%	233,752	0.00%	204,492	0.00%	356,472	0.00%	365,935	0.00%	211,644	0.00%
3	- No rate increase - Replace and borrow for all public side laterals 2022 and 2024 - Pay and borrow for half the cost of remaining private laterals (assume 50% grant) - Borrow for Quigley Do not do a capital project 2025 - Use \$100,000 cash for capital projects 2024-2028 and borrow for all other project costs	23,695	0.00%	152,921	0.00%	244,831	0.00%	315,980	0.00%	244,613	0.00%	9,491	18.92%
4	-No rate increase 2024, 3% rate increases in 2025, 2026, 2027, and 2028 - Replace and borrow for all public side 2022 and 2024 laterals - Pay and borrow for half the cost of remaining private laterals (assume 50% grant) - Borrow for Quigley - Use \$100,000 cash for capital projects 2024-2028 and borrow for all other project costs	23,695	0.00%	152,921	0.00%	73,184	0.00%	105,993	0.00%	228,573	0.00%	120,696	0.00%

- 4% annual increase in operations and maintenance expenses
- Annual increase of 20 residential customers
- Includes all capital projects listed on attached project schedule
- Includes all projected debt payments for debt-funded projects
- Includes repayment of all advances from General Fund and Sewer Utility
- Cash available equals the ending cash balance less restricted cash less amount needed to cover 3 months of operation and maintenance expense

EDGERTON SEWER UTILITY							
Capital Improvements							
cash spent							
	Actual	Forecast					
	2022	2023	2024	2025	2026	2027	2028
Capital Projects:							
Downtown	-	-	-	-	-	-	-
Brailsford							
Gateway							
Blaine St							
- Swift to Randolph	-	-	-	-	-	-	-
- Randolph to Hemphill							
Highland							
E Lawton							
Chaucer St	-	-	-	-	-	-	-
Dickinson	-	-	-	-	-	-	-
S. Main St	27,897	-	-	-	-	-	-
Slip line Swift to Randolph							
Rollin St - N Main to Albion		-	-	-	-	-	-
Rollin St - Stoughton to Albion							185,000
Drilling monitoring wells	-	-	-	-	-	-	-
Sweeney	-	-	-	-	-	-	-
Stoughton Rd							
Quigley St		141,109					
Maple Ct	-		-	-	-	-	-
N Main/ Throsom main ext							
Washington St						185,000	
Henry St	-						
IKI Sewer Repair							
Crescent / Ridgeway			-		175,000		
Henderson util modifications							
Marshview							
Albion St (Rollin to Ridgeway)			198,866				
Albion St (W Fulton to Rollin)				172,673			
Equipment:							
Manhole replacement		10,000	10,000	10,000	10,000	10,000	10,000
Irrigation meters	-	1,500	1,500	1,500	1,500	1,500	1,500
WWTP Upgrades		-	-	-	-	-	-
Sludge Building							
Loader	21,473						
Vactor Truck				175,000			
Pickup Truck				24,000			
Grinder for Bar Screen							
Replace RBC Unit #4	-	-	-	-	-	-	-
Miscellaneous	52,856	20,000	20,000	20,000	20,000	20,000	20,000
Total	\$ 102,226	\$ 172,609	\$ 230,366	\$ 403,173	\$ 206,500	\$ 216,500	\$ 216,500
FINANCING SUMMARY:							
Utility cash	(363,247)	(46,391)	210,366	184,173	186,500	196,500	196,500
Debt	405,000	-	-	-	-	-	-
Grant		-	-	-	-	-	-
Restricted Funds	21,473			199,000	-	-	-
Unrestricted cash used							
interest charged to construction							
TIF Funded		-	-	-	-	-	-
Connection Fee Fund	39,000	20,000	20,000	20,000	20,000	20,000	20,000
	\$ 102,226	\$ (26,391)	\$ 230,366	\$ 403,173	\$ 206,500	\$ 216,500	\$ 216,500

EDGERTON SEWER UTILITY
Summary of Forecast/Rate Increases

	2023		2024		2025		2026		2027		2028	
	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed	Ending Cash Available	Rate Increase Needed
Scenario 1	907,604		783,029		667,529		564,551		451,314		351,699	
Scenario 2	907,604		746,029		593,529		453,551		303,314		166,699	
Scenario 3	907,604		782,908		667,286		564,187		450,828		351,092	

Key Assumptions:

- 4% annual increase in operations and maintenance expenses
- Annual increase of 20 residential customers
- Includes all capital projects listed on attached project schedule
- Includes all projected debt payments for debt-funded projects
- Cash available equals the ending cash balance less restricted cash less amount needed to cover 3 months of operation and maintenance expense

Scenario 1 No increase and no borrowing

Scenario 2 No inc and no borrow; prepay \$37,000 of WWTP loan annually starting 2023 (reduces loan by 4 years) currently 34 years left to pay off RD loan

Scenario 3 3% inc in 2024; pay off \$37,000 annually starting 2024 (reduces loan by 4 years) currently 34 years left to pay off RD loan (3% rate inc produces \$37,000 in rev)

EDGERTON WATERWORKS

August Report 2023

1. Monthly samples were taken to the State Lab of Hygiene. All samples were safe.
2. Replaced an old valve box at the High School.
3. Shut offs for nonpayment.
4. Turned valves off/on for R.T. Fox on Quigley St.
5. The soft start at #3 well died. The well has been out of service since 8-2. We are inching our way closer to getting a new starter put in.
6. VOC samples were taken at all three wells. SOC and Inorganics samples were taken at #2 and #4. All samples were good. All samples were to be completed by the end of September. I talked with our DNR engineer about the issue at #3 and she said we would have until the end of the year to complete the sampling at #3. The samples will be taken as soon as possible once #3 well is back in operation.
7. A leaking curb stop valve at 301 Dorow was fixed.
8. A leaking corporation stop (valve on the main) at 302 E High St. was fixed.
9. Lead and copper sample bottles were handed out.
10. Maddrell Excavating eliminated extra curb stop valves at One Tree subdivision. There was a total of eight. The developer had built single family houses on duplex lots. The lots each had two water laterals going to them. This eliminated a lot of potential future problems.
11. Locates were done.
12. Monthly DNR report was submitted.

Thomas A. Pennekamp/Operator-in-charge

EDGERTON W.W.T.P. REPORT

AUGUST 2023

1. Daily lab work.
2. D.N.R. reports.
3. Did sewer and lift station checks.
4. General-plant maintenance was done.
5. Did phosphorus and ammonia sampling for D.N.R. reports.
6. Mow the grass at the treatment plant and sewer easements.
7. Had the sewer truck out, run lines and root cut York Road.
8. Ferric pump #2 had a line break. We had a mess in the chemical room. Fixed the line and got pump back in-service.
9. The Scada system stopped working again in the blower room. Called L.W. Allen for repairs. They had to replace the Ethernet switch in 30 plc communications board.
10. Influent pump #3 VFD phase loss and failed to run call. I have a call into L.W. Allen to have this looked at. Pump #3 is off line.
11. Zach went out with Great lakes to televise storm sewers.
12. Helped the Water Dept. with two leaking water service, one on High St. and one on Dorrow St.

Thank-You
James Reilly
Edgerton - W.W.T.P.