



OFFICIAL NOTICE AND AGENDA

Notice is hereby given that the City of Stoughton Utilities Committee will hold a regular meeting on the date and at the time and location given below.

Meeting of: **CITY OF STOUGHTON UTILITIES COMMITTEE**
Date/Time: Monday, March 22, 2021 at 5:30 p.m.
Location: Online Attendance: [GoToMeeting ID 142-953-661](#).
Members: Citizen Member David Erdman (Chair), Alderperson Ben Heili (Vice-Chair), Alderperson Regina Hirsch, Alderperson Greg Jenson, Citizen Member John Kallas, Mayor Tim Swadley, Citizen Member Dustin Thoren

AGENDA:

CALL TO ORDER

CONSENT AGENDA

(All items are considered routine and will be enacted upon by one motion. There will be no separate discussion of these items unless a Stoughton Utilities Committee member so requests, in which event the item will be removed from the consent agenda and be considered on the regular agenda.)

- a. Draft Minutes of the February 15, 2021 Regular Utilities Committee Meeting
- b. Stoughton Utilities February Payments Due List Report
- c. Stoughton Utilities December Financial Summary
- d. Stoughton Utilities January Financial Summary
- e. Stoughton Utilities January Statistical Report
- f. Stoughton Utilities January Activities Report
- g. Stoughton Utilities February Activities Report
- h. Communications

OLD BUSINESS

1. Status of the Utilities Committee Recommendation(s) to the Stoughton Common Council **(Discussion)**
2. Approval of the Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom **(Action)**

NEW BUSINESS

3. Bad Debt Account Write-Offs through December 31, 2020 **(Action)**
4. Declaration of Official Intent 2021-1 **(Action)**
5. Execution of the Wisconsin Department of Natural Resources (DNR) Principal Forgiven Financial Assistance Agreement **(Action)**
6. Bid Award of 2021 Lead Water Service Replacements Contract 4-2021 to Five Star Energy Services, LLC **(Action)**
7. Lead Service Line Replacement Program Status Update **(Discussion)**
8. Simplified Regulatory Review of Water Utility Rates **(Discussion)**
9. Customer Collections Status Report **(Discussion)**
10. Utilities Committee Future Agenda Item(s) **(Discussion)**

ADJOURNMENT

Notices Sent To:

Stoughton Utilities Committee Members
Stoughton Utilities Director Jill M. Weiss, P.E.
Stoughton Utilities Assistant Director Brian Hoops

cc: Stoughton Assistant Director of Finance & City Treasurer Ryan Wiesen
Stoughton City Attorney Matthew Dregne
Stoughton Common Council Members
Stoughton City Clerk Holly Licht
Stoughton Deputy Clerk Candee Christen
Stoughton Leadership Team
Stoughton Utilities Electric System Supervisor Bryce Sime
Stoughton Utilities Operations Superintendent Sean Grady
Stoughton Utilities Water System Supervisor Kent Thompson
Stoughton Utilities Wastewater System Supervisor Brian Erickson
Stoughton Utilities WPPI Energy Services Manager Amy Wanek
Unified Newspaper Group – Stoughton Courier Hub

CONNECTION INSTRUCTIONS: Please join the meeting from your computer, tablet or smartphone using the following URL:

<https://global.gotomeeting.com/join/142953661>

You can also dial in using your phone at (571) 317-3112 using access code: 142-953-661.

ATTENTION COMMITTEE MEMBERS: Two-thirds of members are needed for a quorum. The committee may only conduct business when a quorum is present. If you are unable to attend the meeting, please contact Brian Hoops via telephone at (608) 877-7412, or via email at BHoops@stoughtonutilities.com.

It is possible that members of, and possibly a quorum of members of other committees of the Common Council of the City of Stoughton may be in attendance at this meeting to gather information. No action will be taken by any such group(s) at this meeting other than the Stoughton Utilities Committee consisting of the members listed above. An expanded meeting may constitute a quorum of the Common Council.

Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For information, or to request such assistance, please contact Stoughton Utilities at (608) 873-3379.

Current and past Stoughton Utilities Committee documents, including meeting notices, meeting packets, and meeting minutes, are available for public download at stoughtonutilities.com/uc.

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, February 15, 2021 – 5:30 p.m.

Stoughton, WI

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Location: Online Attendance: GoToMeeting ID 443-556-925.

Members Present: Citizen Member David Erdman (Chair), Alderperson Ben Heili (Vice-Chair), Alderperson Regina Hirsch, Alderperson Greg Jenson, Citizen Member John Kallas, Mayor Tim Swadley, Citizen Member Dustin Thoren

Excused: None

Absent: None

Others Present: Stoughton Director of Finance & Comptroller Jamin Friedl, Stoughton Utilities Assistant Director Brian Hoops, Stoughton Utilities and WPPI Energy Services Manager Amy Wanek, Stoughton Utilities Director Jill Weiss

Call to Order: Utilities Committee Chairperson David Erdman called the regular Stoughton Utilities Committee Meeting to order at 5:30 p.m.

Utilities Committee Consent Agenda: Stoughton Utilities staff presented and discussed the Stoughton Utilities Committee consent agenda items.

Staff highlighted ongoing sustainability efforts, including working with City of Stoughton staff to review the Office of Energy Innovation Grant Program. It was ultimately decided by staff that a grant application was unlikely to be awarded due to insufficient funding available for some projects, or lengthy returns on investment for others.

Staff highlighted a recent cyber security breach at a Florida water utility, where a malicious actor was able to access the utilities supervisory control and data acquisition (SCADA) system through an unsecured remote access. Staff discussed SU's cyber security efforts.

Staff highlighted the success of the December curbside donation drive, which collected 2,400 pounds of nonperishable food items for Stoughton area food pantries.

Motion by Hirsch, the motion seconded by Jenson, to approve the following consent agenda items as presented:

- a. Draft Minutes of the November 16, 2020 Regular Utilities Committee Meeting
- b. Stoughton Utilities November Payments Due List Report
- c. Stoughton Utilities December Payments Due List Report
- d. Stoughton Utilities January Payments Due List Report
- e. Stoughton Utilities October Financial Summary
- f. Stoughton Utilities November Financial Summary
- g. Stoughton Utilities October Statistical Report
- h. Stoughton Utilities November Statistical Report
- i. Stoughton Utilities December Statistical Report
- j. Stoughton Utilities December Statistical Report
- k. Stoughton Utilities November Activities Report
- l. Stoughton Utilities December Activities Report
- m. Communications

The motion carried unanimously 7 to 0.

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, February 15, 2021 – 5:30 p.m.

Stoughton, WI

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Status of the Utilities Committee recommendation(s) to the Stoughton Common Council: Stoughton Utilities staff presented and discussed the following items from the Stoughton Utilities Committee that were approved and/or placed on file by the Stoughton Common Council:

Consent Agenda:

1. Draft Minutes of the October 19, 2020 Regular Utilities Committee Meeting
2. Stoughton Utilities October Payments Due List Report
3. Stoughton Utilities September Financial Summary
4. Stoughton Utilities September Statistical Report

Business:

1. None

Discussion followed.

Ordinance to Create Sections 74-2 (h) and (i) of the City of Stoughton Code of Ordinances, Relating to the Replacement of Indirect Sanitary Sewer Service Lateral Connections: Stoughton Utilities staff presented and discussed a draft ordinance that would require privately-owned sanitary sewer service connection lines be connected directly to the public system, and where any indirect service connections are discovered, provides a method to require such indirect connections be relocated to directly connect to the public system. This ordinance is intended to address scenarios where a home or building on one parcel has a sanitary sewer service line that connects to service line that provides service to a home or building on a neighboring parcel. Utilities staff is aware of several locations where such connections exist, and examples of the issues that can arise from such indirect connections were given. Discussion followed.

Motion by Hirsch, the motion seconded by Thoren, to approve creating Sections 74-2 (h) and (i) of the City of Stoughton Code of Ordinances, relating to the replacement of indirect sanitary sewer service lateral connections, and recommend approval of the adopting ordinance to the Stoughton Common Council. The motion carried unanimously 7 to 0.

Approval of the Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom: Stoughton Utilities staff presented and discussed a draft agreement in which TDS Metrocom has agreed to provide Stoughton Utilities with dedicated, unlit strands of fiber optic cable to all Stoughton Utilities facilities for a negotiated, reduced up-front cost. Staff further explained that the document provided in the meeting pack was a draft that was believed to be nearly final, however continued discussions with legal counsel indicate that there may be revisions required. Discussion followed.

Motion by Erdman, the motion seconded by Heili, to table this item until an upcoming special meeting to be scheduled upon recommendation of approval by legal counsel. The motion carried unanimously 7 to 0.

Stoughton Utilities Round-Up Program: Stoughton Utilities staff presented and discussed the Stoughton Utilities Round-Up Program. A brief description and history of staff's efforts to recruit new organizations to apply for funding was provided to the committee. This is the second of two donations to be made using 2020 program funding, with an applicant pool of 18 local non-profit organizations. Discussion followed.

Motion by Jenson to donate \$1,000 from the Stoughton Utilities Round-Up Program fund to the Stoughton Village Players. The motion failed due to the lack of a second.

Motion by Hirsch, the motion seconded by Thoren, to donate \$500 to Folks Wagons, Inc. and \$500 to Society of St. Vincent de Paul St. Ann Conference from the Stoughton Utilities Round-Up Program fund. The motion carried unanimously 7 to 0.

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, February 15, 2021 – 5:30 p.m.

Stoughton, WI

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Approval of the Common Facilities Agreement Between the City of Stoughton and American Transmission Company LLC:

Stoughton Utilities staff presented and discussed the Common Facilities Agreement (CFA) between the City of Stoughton and American Transmission Company, LLC (ATCLLC). Staff explained that the Stoughton Electric Utility shares common facilities with ATCLLC at our East Substation and West Substation, and that the CFA specifies a method of requesting, performing, and compensating for improvements and replacements of common facilities at joint use substations. The current CFA was last updated on December 12, 2007. Discussion followed.

Motion by Hirsch, the motion seconded by Kallas, to approve the Common Facilities Agreement between the City of Stoughton and American Transmission Company LLC, and authorize the execution of the revised agreement. The motion carried unanimously 7 to 0.

Notice of Potential Audit Deficiency Findings During 2020 Financial Audit:

Stoughton Utilities and City of Stoughton staff presented and discussed several ongoing issues that would likely result in deficiency findings from our financial auditors. These potential deficiencies were related to inventory management and reconciliation due to the ongoing systemwide pole replacement project, and accounts payable approvals and routing delays at year-end. Staff discussed the memo included in the meeting packet that described the causes of these issues and how they are being addressed going forward. Staff stated that the financial auditors found staff's explanations satisfactory and that staff does not expect these issues to rise to the level of a significant deficiency or a material weakness in the audit management letter. Staff explained that the utility did not incur any interest or penalties due to these issues. Discussion followed.

Wisconsin Public Service Commission Electric Billing Audit:

Stoughton Utilities staff presented and discussed the recent billing audit of the electric utility conducted by the Wisconsin Public Service Commission (WPSC). The WPSC conducts these audits to ensure that proper billing and collections procedures are in place and being followed so that customers' bills are accurate and processes are consistent with the WPSC Administrative Code and Wisconsin State Statutes.

Staff informed the committee that the WPSC billing audit of Stoughton Utilities began in February 2019 and concluded in May 2020. One billing requirement required a corrective action plan to be submitted to the WPSC and modifications made to municipal street lighting customers' billing statements. In February 2021, the WPSC reviewed the corrective actions taken, determined that all audit findings had been resolved, and officially closed out the billing audit. Discussion followed.

Lead Service Line Replacement Program Status Update:

Stoughton Utilities staff presented and discussed efforts that have occurred in the 18 months since the utility was notified of the lead action exceedance. Many efforts have been completed or are currently underway as staff proceeds with the planned program to replace lead service lines throughout the City of Stoughton. Staff presented and discussed the continuation of our public education program to the community on lead service lines and the upcoming systemwide lead replacement project being undertaken in 2021, discussed the grant application submitted to the Wisconsin Department of Natural Resources for funding to replace customer-owned lead service lines, discussed the upcoming 2021 lead service line replacement project and the status of project design and bidding, and discussed current efforts being taken by staff to identify lead service lines and provide homeowners with the required notice of mandatory replacement. Discussion followed.

Utilities Committee Future Agenda Items:

Staff informed the committee that upcoming regular meeting topics will include lead service line replacement program status updates and bid award, updates to the status of SU's Wisconsin Department of Natural Resources (WDNR) grant application, a collections status update,

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, February 15, 2021 – 5:30 p.m.

Stoughton, WI

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and a presentation on utility, city, and community sustainability efforts. The dark fiber agreement will be brought forward for approval at a future special meeting. Discussion followed.

Adjournment: Being no further business before the committee, the Chair adjourned the regular Stoughton Utilities Committee Meeting at 6:50 p.m.

Respectfully submitted

Brian R. Hoops
Stoughton Utilities Assistant Director

DRAFT

Date: Thursday, March 04, 2021
 Time: 01:52PM
 User: SGUNSOLUS

Stoughton Utilities
Check Register Summary - Standard

Page: 2 of 8
 Report: 03699W.rpt
 Company: 7430

Period: - As of: 3/4/2021

Check Nbr	Type	Date	Amount Paid	Vendor ID / Name	Description
002145	HC	2/28/2021	17,941.30	010 WI Dept. of Revenue	Dept of Rev-Feb Ach/Dept of Rev-Feb Ach/Dept of Rev-Feb Ach/Dept of Rev-Feb Ach
002146	HC	2/28/2021	779.99	856 GORDON FLESCH COMPANY, INC.	Gordon Flesch-Feb Ach/Gordon Flesch-Feb Ach/Gordon Flesch-Feb Ach/Gordon Flesch-Feb Ach/Gordon Flesch-Feb Ach/Gordon Flesch-Feb Ach
002147	HC	2/28/2021	175.69	952 AT&T	AT&T - Feb Ach/AT&T - Feb Ach/AT&T - Feb Ach/AT&T - Feb Ach
002148	HC	2/28/2021	1,746.80	001 Delta Dental - Ach	Delta Dental - Feb Ach/Delta Dental - Feb Ach/Delta Dental - Feb Ach/Delta Dental - Feb Ach/Delta Dental - Feb Ach
002149	HC	2/28/2021	1,624.59	004 Us Cellular - Ach	Us Cellular - Feb Ach/Us Cellular - Feb Ach/Us Cellular - Feb Ach/Us Cellular - Feb Ach/Us Cellular - Feb Ach
002150	HC	2/28/2021	30.52	421 FIRST DATA CHARGES	First Data-Feb Ach/First Data-Feb Ach/First Data-Feb Ach/First Data-Feb Ach/First Data-Feb Ach/First Data-Feb Ach
027364	CK	2/4/2021	428.71	061 JOSH PARISI	J Parisi-Deposit Refund/J Parisi-Deposit Refund
027365	CK	2/4/2021	896.04	166 INKWORKS, INC.	Inkworks-CTC Incentives/Inkworks-TDS Pole Replacements/Inkworks-TDS Pole Replacements/Inkworks-CTC Incentives/Inkworks-LSL Door Hangers/Inkworks-LSL Door Hangers
027366	CK	2/4/2021	240.90	185 SARA VAGEDES	S Vagedes-Deposit Refund/S Vagedes-Deposit Refund
027367	CK	2/4/2021	142.82	295 BROGIN INVESTMENTS STEVE BROWN	Brogin-Deposit Refund/Brogin-Deposit Refund
027368	CK	2/4/2021	7,356.20	874 COLORCON FINANCE DEPT	Colorcon-Customer Refund/Colorcon-Customer Refund
027369	CK	2/4/2021	4,698.75	131 CITY OF STOUGHTON	City Stoton-Feb A Def Comp/City Stoton-Feb A Def Comp
027370	CK	2/4/2021	585.00	548 WISCONSIN RURAL WATER ASSOC.	WRWA-Membership Renewal/WRWA-Membership Renewal

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Check Nbr	Type	Date	Amount Paid	Vendor ID / Name	Description
027384	CK	2/4/2021	8,326.50	186 STAFFORD ROSENBAUM LLC	Stafford-Attorney Fees/Stafford-Attorney Fees/Stafford-Attorney fees/Stafford-Attorney fees/Stafford-Attorney fees/Stafford-Attorney fees/Stafford-Attorney Fees/Stafford-Attorney Fees
027385	CK	2/4/2021	22,184.00	620 STELLA JONES CORPORATION	Stella Jones-Inventory/Stella Jones-Inventory/Stella Jones-Inventory/Stella Jones-Inventory
027386	CK	2/11/2021	830.75	131 CITY OF STOUGHTON	City Stoton-Reimbursement/City Stoton-Reimbursement
027387	CK	2/11/2021	11,100.00	222 SCHWEITZER ENGINEERING LABORATORIES, INC.	Schweitzer-Upgrades/Schweitzer-Upgrades
027388	CK	2/11/2021	87,640.00	443 SIEMENS INDUSTRY, INC.	Siemens-Upgrade projects/Siemens-Upgrade projects
027389	CK	2/11/2021	9.89	516 WELLS FARGO BANK	VO for check batch: 310205/VO for check batch: 310205
027390	CK	2/11/2021	16,583.23	539 DEPT OF ADMIN-WISMART VENDOR #396028867 E	Dept of Admin-Pub Ben/Dept of Admin-Pub Ben
027391	CK	2/11/2021	739.47	653 WI PUBLIC POWER, INC.	WPPI-Reimbursement/WPPI-Reimbursement
027392	CK	2/11/2021	879.35	327 BORDER STATES ELECTRIC SUPPLY	Border States-Supplies/Border States-Supplies
027393	CK	2/11/2021	482,766.59	386 HOOPER CORPORATION	Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/Hooper-Pole Rep/More...
027394	CK	2/11/2021	682.50	487 MARTELLE WATER TREATMENT	Martelle-Sodium Hypo Bulk/Martelle-Sodium Hypo Bulk
027395	CK	2/11/2021	3,692.50	780 JIMS TREE SERVICE INC	Jims-Trimming GA_3-P1/Jims-Trimming GA_3-P1/Jims-Trimming GA_3-P2/Jims-Trimming GA_3-P2/Jims-Trimming GA_1/Jims-Trimming GA_1/Jims-Trimming EA_4/Jims-Trimming EA_4
027396	CK	2/11/2021	53,734.00	881 MUNICIPAL PROPERTY INSURANCE CO.	MPIC-Property Ins/MPIC-Property Ins/MPIC-Property Ins/MPIC-Property Ins/MPIC-Property Ins

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Check Nbr	Type	Date	Amount Paid	Vendor ID / Name	Description
027397	CK	2/11/2021	2,294.22	400 RESCO	Resco-Inventory/Resco-Inventory/Resco-Inventory/ Resco-Inventory/Resco-Inventory/Resco-Inventory/ Resco-Supplies/Resco-Supplies/Resco-Supplies/Res sco-Inventory/Resco-Inventory/Resco-Supplies/Res co-Inventory/Resco-Inventory/Resco-Supplies/Resc o-Supplies
027398	CK	2/11/2021	69.58	602 RAUL GOMEZ	R Gomez-Customer Refund/R Gomez-Customer Refund
027399	CK	2/11/2021	55.97	944 BARBARA OR SCOTT HANSEN	B Hansen-Customer Refund/B Hansen-Customer Refund
027400	CK	2/11/2021	1,324.60	143 DIGGERS HOTLINE, INC.	Diggers Hotline-Jan Locates/Diggers Hotline-Jan Locates
027401	CK	2/11/2021	536.39	192 PATRICK FRISCH	P Frisch-Deposit Refund/P Frisch-Deposit Refund
027402	CK	2/11/2021	6,700.00	648 BAKER TILLY VIRCHOW KRAUSE, LLP	Baker Tilly-Professional svcs/Baker Tilly-Professional svcs/Baker Tilly-Professional svcs/Baker Tilly-Professional svcs/Baker Tilly-Professional svcs/Baker Tilly-Professional svcs
027403	CK	2/11/2021	7,302.50	727 GLS UTILITY LLC	GLS - Jan Locates/GLS - Jan Locates/GLS - Jan Locates/GLS - Jan Locates/GLS - Jan Locates/GLS - Jan Locates
027404	CK	2/11/2021	2,295.74	131 CITY OF STOUGHTON	City-Parisi 20 Contract 5 Ret/City-Parisi 20 Contract 5 Ret
027405	CK	2/11/2021	23,177.01	386 HOOPER CORPORATION	Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call/Hooper-On Call
027406	CK	2/18/2021	20,527.73	131 CITY OF STOUGHTON	City Stoton-Feb Retirement/City Stoton-Feb Retirement/City Stoton-Feb B Def Comp/City Stoton-Feb B Def Comp/City Stoton-Feb Retirement/City Stoton-Feb Retirement/City Stoton-Feb Retirement/City Stoton-Feb Retirement
027407	CK	2/18/2021	1,110.00	900 GENERAL HEATING & AIR CONDITION., INC.	General Heating-Maint.
027408	CK	2/18/2021	500.00	914 FOLKS WAGONS, INC.	Folks Wagon-Donation/Folks Wagon-Donation

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Check Nbr	Type	Date	Amount Paid	Vendor ID / Name	Description
027409	CK	2/18/2021	500.00	935 ST. VINCENT DE PAUL - ST. ANN	St Vincent-Donation/St Vincent-Donation
027410	CK	2/18/2021	68,545.10	131 CITY OF STOUGHTON	City Stoton-Jan Legal Shield/City Stoton-Jan Legal Shield/City Stoton-Feb Delta Vision/City Stoton-Feb Delta Vision/City Stoton-Feb Health ins/City Stoton-Feb Health ins/City Stoton-Feb Health ins/City Stoton-Feb Health ins/City Stoton-Feb Health ins+
027411	CK	2/18/2021	181.51	138 NEW ERA GRAPHICS, INC.	New Era-AP Checks/New Era-AP Checks/New Era-AP Checks/New Era-AP Checks/New Era-AP Checks
027412	CK	2/18/2021	3,604.80	143 DIGGERS HOTLINE, INC.	Diggers-Locates/Diggers-Locates
027413	CK	2/18/2021	1,589.04	400 RESCO	Resco-Inventory/Resco-Supplies/Resco-Supplies/Resco-Inventory
027414	CK	2/18/2021	21,781.20	448 STRAND ASSOCIATES INC.	Strand-21 LSL Repacement/Strand-21 LSL Repacement/Strand-21 LSL Repacement/Strand-21 LSL Repacement
027415	CK	2/18/2021	54.00	584 VINING SPARKS IBG, L.P.	Vining Sparks-Safekeeping/Vining Sparks-Safekeeping
027416	CK	2/18/2021	4,523.00	592 GASVODA & ASSOCIATES, INC.	Gasvoda-Repairs/Gasvoda-Repairs
027417	CK	2/18/2021	178,622.92	386 HOOPER CORPORATION	Hooper-On Call/Hooper-On Call/Hooper-Pole Replacement/Hooper-Pole Replacement
027418	CK	2/18/2021	755.00	436 STOUGHTON LUMBER CO., INC.	Stoton Lumber-Port a Pot/Stoton Lumber-Port a pot wash/Stoton Lumber-Port a pot wash/Stoton Lumber-Port a Pot
027419	CK	2/18/2021	157.40	862 EVOQUA WATER TECHNOLOGIES, LLC	Evoqua-Supplies/Evoqua-Supplies
027420	CK	2/18/2021	200.75	166 INKWORKS, INC.	Inkworks-Letterhead/Inkworks-Letterhead/Inkworks-Letterhead/Inkworks-Letterhead/Inkworks-Letterhead/Inkworks-Letterhead/Inkworks-Letterhead
027421	CK	2/18/2021	12,965.04	373 E S R I INC.	E S R I -User Licensing/E S R I -User Licensing/E S R I -User Licensing/E S R I -User Licensing/E S R I -User Licensing

Date: Monday, February 08, 2021

Time: 09:58AM

User: SGUNSOLUS

Stoughton Utilities Posting Preview Report

Select By: {PSSPurchCard.RefNbr} = '0000000124'

Company	Account	Sub	Vendor ID	Merchant	Amount	Description	Post Date	Emp ID	Projec
Import ID: 009010		Import # : 0000000124							
7430	933	000000	626	663 STOUGHTON BUMPER TO B	96.29	TRUCK 1 REPAIRS	01/07/2021	5200	-
7430	930	000000		ADOBE INC	98.93	Software Licensing - Adobe Acrobat	01/07/2021	5250	-
7450	930	000000		ADOBE INC	35.98	Software Licensing - Adobe Acrobat	01/07/2021	5250	-
7460	840	000000		ADOBE INC	44.97	Sales tax refund - requested	01/07/2021	5250	-
7430	930	000000		ADOBE INC	9.89	Software licensing - Server user and file auditing	01/07/2021	5250	-
7450	930	000000		AMZN MKTP US 8L2BL1KT3	300.81	General office supplies	01/14/2021	3680	-
7430	933	000000	108	ASLESON'S TRUE VALUE HDW	3.58	TRUCK 1 REPAIRS	01/08/2021	5200	-
7430	594	000000	108	ASLESON'S TRUE VALUE HDW	9.20	BOLTS FOR STOCK	01/22/2021	5200	-
7450	631	000000	108	ASLESON'S TRUE VALUE HDW	6.28	WELL 6 ANCHORS	01/22/2021	8700	-
7430	593	000000	108	ASLESON'S TRUE VALUE HDW	26.36	MISC LINE TOOLS	01/06/2021	5200	-
7450	932	000000	108	ASLESON'S TRUE VALUE HDW	48.50	SNOW BLOWER PARTS	01/11/2021	8700	-
7450	652	000000	108	ASLESON'S TRUE VALUE HDW	9.88	TREATMENT EQUIP PARTS	01/14/2021	8700	-
7450	631	000000	108	ASLESON'S TRUE VALUE HDW	3.98	PIPE PLUGS	01/18/2021	8700	-
7460	833	000000	108	ASLESON'S TRUE VALUE HDW	3.72	DRIP TRAP ROLL PINS	01/13/2021	8710	-
7430	593	000000	983	C M HYDRAULIC TOOL SUPP	147.78	INSERT BLADE	01/07/2021	4100	-
7430	594	000000	983	C M HYDRAULIC TOOL SUPP	147.78	INSERT BLADE	01/07/2021	4100	-
7430	934	000000	994	CAPITAL EQUIPMENT	69.00	FORK LIFT MAINT	01/20/2021	4100	-
7430	930	000000		CDW GOVT #6145270	755.06	Computer Hardware - Laptop - BHoops	01/06/2021	5250	-
7450	930	000000		CDW GOVT #6145270	274.56	Computer Hardware - Laptop - BHoops	01/06/2021	5250	-
7460	840	000000		CDW GOVT #6145270	343.22	Software Licensing - Adobe Acrobat	01/06/2021	5250	-
7430	926	000000	809	CINTAS CORP	49.24	UNIFORM CLEARING	01/04/2021	1025	-
7450	926	000000	809	CINTAS CORP	22.77	UNIFORM CLEARING	01/04/2021	1025	-
7460	854	000000	809	CINTAS CORP	15.18	UNIFORM CLEARING	01/04/2021	1025	-
7430	926	000000	809	CINTAS CORP	49.24	UNIFORM CLEARING	01/18/2021	1025	-
7450	926	000000	809	CINTAS CORP	22.77	UNIFORM CLEARING	01/18/2021	1025	-
7460	854	000000	809	CINTAS CORP	15.18	UNIFORM CLEARING	01/18/2021	1025	-
7430	926	000000	809	CINTAS CORP	49.24	UNIFORM CLEARING	01/21/2021	1025	-
7450	926	000000	809	CINTAS CORP	22.77	UNIFORM CLEARING	01/21/2021	1025	-
7460	854	000000	809	CINTAS CORP	15.18	UNIFORM CLEARING	01/21/2021	1025	-
7430	926	000000	809	CINTAS CORP	49.24	UNIFORM CLEARING	01/25/2021	1025	-
7450	926	000000	809	CINTAS CORP	22.77	UNIFORM CLEARING	01/25/2021	1025	-
7460	854	000000	809	CINTAS CORP	15.18	UNIFORM CLEARING	01/25/2021	1025	-
7460	833	000000	855	CRANE ENGINEERING SALES	1,592.73	PARTS FOR GREASE PUMP	01/12/2021	8200	-
7430	107.14	000000	134	CRESCENT ELECTRIC 087	183.46	TDS MATERIALS-CRESCENT	01/21/2021	4100	200222XX - 1
7430	593	000000	134	CRESCENT ELECTRIC 087	183.46	MISC LINE SUPPLIES	01/25/2021	4100	-
7430	232	001099	134	CRESCENT ELECTRIC 087	588.00	ELECTRIC INVENTORY-CRESCENT	01/20/2021	4100	-
7460	833	000000	483	DORNER COMPANY	1,852.98	PLUG VALVE PARTS	01/07/2021	8200	-
7450	107.14	000000	550	FIRST SUPPLY LLC #2010	698.80	REPLACEMENT BACKFLOW PREVENTER	01/12/2021	8700	200922XX - 1
7450	930	000000		FIRST SUPPLY MADISON	1,049.50	WATER INVENTORY-FIRST SUPPLY	01/25/2021	4100	-
7450	107.14	000000	354	HYDRO DESIGNS	791.00	CROSS CONNECTIONS	01/04/2021	7400	210905XX - 1
7430	930	000000		IL TOLLWAY -PAY BY PLATE	3.00	TOLLS	01/25/2021	5200	-
7430	930	000000		IL TOLLWAY-WEB-UNPD TOLL	19.60	TOLLS	01/25/2021	5200	-

Date: Monday, February 08, 2021

Time: 09:58AM

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Company	Account	Sub	Vendor ID	Merchant	Amount	Description	Post Date	Emp ID	Projec
7430	932	000000	322	IN SUNDANCE BIOCLEAN, IN	280.50	CUSTODIAL	01/12/2021	4000	-
7450	932	000000	322	IN SUNDANCE BIOCLEAN, IN	102.00	CUSTODIAL	01/12/2021	4000	-
7460	834	000000	322	IN SUNDANCE BIOCLEAN, IN	127.50	CUSTODIAL	01/12/2021	4000	-
7430	930	000000		LAMP RECYCLERS INC-	1,323.00	STREET LAMP RECYCLING	01/05/2021	4000	-
7430	930	000000		LAMP RECYCLERS INC-	130.82	FLUORESCENT LAMP RECYCLING	01/05/2021	4000	-
7450	930	000000		LAMP RECYCLERS INC-	47.57	FLUORESCENT LAMP RECYCLING	01/05/2021	4000	-
7460	840	000000		LAMP RECYCLERS INC-	59.46	FLUORESCENT LAMP RECYCLING	01/05/2021	4000	-
7460	834	000000	207	LW ALLEN	543.10	GAS MONITOR CALIBRATION	01/07/2021	8200	-
7460	833	000000	207	LW ALLEN	399.51	DIGESTER RECIRCULATION PUMP	01/07/2021	8200	-
7450	675	000000	652	MENARDS MONONA WI	222.63	CURB STOP MATERIALS	01/08/2021	8700	-
7450	652	000000	652	MENARDS MONONA WI	11.72	CHEMICAL INJECTION SUPPLIES	01/08/2021	8700	-
7430	930	000000		MSFT E0400D27QN	78.65	Software Licensing - Office 365 - Skype for Business Online	01/04/2021	5250	-
7450	930	000000		MSFT E0400D27QN	28.60	Software Licensing - Office 365 - Skype for Business Online	01/04/2021	5250	-
7460	840	000000		MSFT E0400D27QN	35.75	Credit card processing - Online MyAccount	01/04/2021	5250	-
7430	930	000000		MSFT E0400D2W1Y	19.14	Software Licensing - Office 365 - Apps for Business	01/04/2021	5250	-
7450	930	000000		MSFT E0400D2W1Y	6.96	Software Licensing - Office 365 - Apps for Business	01/04/2021	5250	-
7460	840	000000		MSFT E0400D2W1Y	8.71	Software Licensing - Office 365 - Skype for Business Online	01/04/2021	5250	-
7460	833	000000	830	NCL OF WISCONSIN INC	1,110.52	LAB SUPPLIES	01/21/2021	8300	-
7460	923	000000	974	NORTHERN LAKE SERVICE- IN	43.00	OUTSIDE LAB WORK	01/08/2021	8300	-
7460	923	000000	974	NORTHERN LAKE SERVICE- IN	268.10	OUTSIDE LAB WORK	01/11/2021	8300	-
7460	833	000000	994	OCECO INC	611.74	PARTS FOR DIGESTER DRIP TRAP	01/20/2021	8200	-
7430	903	000000	419	PAYFLOW/PAYPAL	123.37	Credit card processing - Online MyAccount	01/05/2021	5250	-
7450	903	000000	419	PAYFLOW/PAYPAL	17.62	Credit card processing - Online MyAccount	01/05/2021	5250	-
7460	840	000000	419	PAYFLOW/PAYPAL	26.43	Credit card processing - Online MyAccount	01/05/2021	5250	-
7430	233	001099	419	PAYFLOW/PAYPAL	8.83	Credit card processing - Desktop and recurring	01/05/2021	5250	-
7430	903	000000	419	PAYFLOW/PAYPAL	81.09	Credit card processing - Desktop and recurring	01/05/2021	5250	-
7450	903	000000	419	PAYFLOW/PAYPAL	11.58	Credit card processing - Desktop and recurring	01/05/2021	5250	-
7460	840	000000	419	PAYFLOW/PAYPAL	17.37	Credit card processing - Desktop and recurring	01/05/2021	5250	-
7430	233	001099	419	PAYFLOW/PAYPAL	5.81	Computer Hardware - Laptop - BHoops	01/05/2021	5250	-
7430	930	000000		PAYPAL ZOHOCORPORA	1,463.00	Software licensing - Server user and file auditing	01/11/2021	5250	-
7450	930	000000		PAYPAL ZOHOCORPORA	532.00	Software licensing - Server user and file auditing	01/11/2021	5250	-
7460	840	000000		PAYPAL ZOHOCORPORA	665.00	Sales tax refund - received	01/11/2021	5250	-
7430	930	000000		STAPLS7321782648000001	23.57	General office supplies	01/07/2021	3680	-
7450	930	000000		STAPLS7321782648000001	8.48	General office supplies	01/07/2021	3680	-
7460	840	000000		STAPLS7321782648000001	11.31	General office supplies	01/07/2021	3680	-
7430	930	000000		STAPLS7321782648000001	3.79	Well No 6 Replacement Exhaust Louver Motor	01/07/2021	3680	-
7430	930	000000		STAPLS7323496294000001	218.08	General office supplies	01/29/2021	3680	-
7450	930	000000		STAPLS7323496294000001	78.50	General office supplies	01/29/2021	3680	-
7460	840	000000		STAPLS7323496294000001	104.67	General office supplies	01/29/2021	3680	-
7430	930	000000		STAPLS7323496294000001	34.91	UNIFORM CLEARING	01/29/2021	3680	-
7430	926	000000	994	STEELTOESHoesCOM	279.56	SAFETY BOOTS	01/14/2021	4000	-
7430	232	001099	355	STUART C IRBY	459.60	ELECTRIC INVENTORY-IRBY	01/06/2021	4100	-
7430	232	001099	355	STUART C IRBY	1,137.60	ELECTRIC INVENTORY-IRBY	01/06/2021	4100	-
7430	232	001099	355	STUART C IRBY	5,574.90	ELECTRIC INVENTORY-IRBY	01/21/2021	4100	-

Date: Monday, February 08, 2021

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Stoughton Utilities Posting Preview Report

Select By: {PSSPurchCard.RefNbr} = '0000000124'

Company	Account	Sub	Vendor ID	Merchant	Amount	Description	Post Date	Emp ID	Projec
7430	107.14	000000	355	STUART C IRBY	38.61	TDS MATERIALS-IRBY	01/21/2021	4100	200222XX - 1
7430	107.14	000000	355	STUART C IRBY	47.40	TDS MATERIALS-IRBY	01/21/2021	4100	200222XX - 1
7430	107.14	000000	355	STUART C IRBY	11.08	TDS MATERIALS-IRBY	01/21/2021	4100	200222XX - 1
7430	107.14	000000	355	STUART C IRBY	1,111.62	TDS MATERIALS-IRBY	01/18/2021	4100	200222XX - 1
7430	107.14	000000	355	STUART C IRBY	387.50	TDS MATERIALS-IRBY	01/18/2021	4100	200222XX - 1
7450	642	000000	164	THE UPS STORE 3617	11.36	SAMPLE SHIPPING	01/05/2021	8400	-
7450	642	000000	164	THE UPS STORE 3617	11.36	SAMPLE SHIPPING	01/12/2021	8400	-
7450	642	000000	164	THE UPS STORE 3617	11.36	SAMPLE SHIPPING	01/26/2021	8400	-
7450	642	000000	164	THE UPS STORE 3617	11.36	SAMPLE SHIPPING	01/21/2021	8700	-
7450	652	000000	994	TRACTOR SUPPLY #2236	82.97	CHEMICAL INJECTION SUPPLIES	01/08/2021	8700	-
7450	652	000000	571	USA BLUE BOOK	528.15	CHEMICAL INJECTION PUMP PARTS	01/20/2021	8700	-
7430	593	000000	824	USPS PO 5679700726	5.40	TREE TRIMMING RFPS	01/06/2021	4000	-
7430	934	000000	269	UTILITY SALES & SERVICE	6,098.38	TRUCK 16 ANNUAL INSPECTION	01/07/2021	4000	-
7430	934	000000	269	UTILITY SALES & SERVICE	2,255.15	TRUCK 12 ANNUAL INSPECTION	01/25/2021	4000	-
7430	934	000000	269	UTILITY SALES & SERVICE	2,133.67	TRUCK 5 ANNUAL INSPECTION	01/28/2021	4000	-
7430	934	000000	269	UTILITY SALES & SERVICE	8,904.47	TRUCK 2 INSPECTION AND BOOM REPAIRS	01/06/2021	4000	-
7450	633	000000	507	WAL-MART #1176	38.90	AIR COMPRESSOR FOR WELL 4	01/28/2021	8400	-
7450	642	000000	675	WI STATE HYGIENE LAB	26.00	FLUORIDE ANALYSIS	01/14/2021	7400	-

Total: 47,807.85

Stoughton Utilities

Financial Summary

December 2020

Overall Summary:

2020 operating income is \$1,320,300, up \$537,000 or 69%, from 2019. Electric accounts for \$429,000 of the \$537,000 increase.

Non-operating income in 2020 was \$179,500, down \$323,100 from 2019. \$126,500 of the decrease was due to lower investment returns. \$74,600 of the decrease is due to an insurance recovery in 2019 that did not happen again in 2020. The remainder of the decrease in non-operating income is lower tax increment district contributions in 2020.

Net Income for 2020 was \$1,499,800, up \$213,900 from 2019's \$1,285,900 net income.

Electric Summary:

2020 operating income was \$631,600, up \$429,000 from the prior year. Operating revenue was up only 0.1%, or \$12,900, from 2019. KWh sales in 2020 were down 4.4 million, or 3.1% from 2019. Commercial and industrial revenues were down \$330,000 in 2020 but were offset by increased residential sales of \$356,000. Power costs were down \$235,900, or 2%, from 2019.

Non-power operating expenses were down \$180,200 YTD, or 5.0%. \$91,000 of the reduced expenses was related to GASB 68 retirement costs. Ignoring the GASB 68 entry, non-power operating costs were down \$89,200 from 2019, or 2.9%. \$59,000 of the reduced expense were from reduced labor costs related to employee vacancies. The remaining reduced expense was from taxes, PILOT, and the miscellaneous operational expenses. Underground maintenance expenses were up \$161,500 in 2020 due to the TDS project, but it was offset by a reduction of overhead line expenses of \$136,400. 2019 had a major tree trimming expense that caused overhead line expense to be much larger than 2020.

The rate of return for 2020 is 5.16% compared to 2.87% in 2019. Although the current rate of return is above the allowed percentage of 4.9%, this is due to the significant amount of TDS construction advances on hand at year-end. After factoring those amounts into the equation, the ending rate of return is at 4.9%. Unrestricted cash balances are \$6.4 million (5.3 months of sales).

Water Summary:

Operating revenues were up \$16,000 or 0.7%, for 2020 compared to 2019. Total gallons sold YTD ran 1.8% lower than 2019. Residential sales was up \$51,200, or 4.4%, from the prior year. Industrial sales were down \$34,300, or 10.8% from the prior year.

Operating expenses were up \$7,000, or 0.4%, compared to the prior year. The expenses were muted by a \$16,700 reduction in depreciation expense, largely due to the SCADA system being fully depreciated in 2019.

The rate of return is 4.2% compared to 4.65% in 2019. Unrestricted cash balances are \$1.0 million (5.3 months of sales).

Wastewater Summary:

2020 operating revenues were up \$72,000 YTD, or 3.4%, from 2019. Regular sales were up \$136,000 but surcharge revenues were down \$63,900. The additional sales revenue was from residential and industrial customers.

Operating expenses were \$1,855,300, which was down \$26,900, or 1.4%, from the prior year. Depreciation was \$48,100 lower than the prior year due to the communication equipment becoming fully depreciated in 2020. Non-depreciation operating expense increased \$21,200, or 2.1%, due to labor cost increases. Unrestricted cash balances were \$0.7 million (3.9 months of sales).

Submitted by: Ryan Wiesen

STOUGHTON UTILITIES

Balance Sheets

As of December 31, 2020

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Assets				
Cash & Investments	\$ 8,457,354	\$ 2,327,177	\$ 2,245,478	\$ 13,030,010
Customer A/R	1,518,043	231,094	238,658	1,987,795
Other A/R	89,661	12,261	5,592	107,514
Other Assets	1,425,334	330,481	206,289	1,962,104
Plant in Service	31,055,760	17,362,621	32,381,992	80,800,372
Accumulated Depreciation	(15,246,829)	(5,770,238)	(12,977,465)	(33,994,533)
Plant in Service - CIAC	3,825,984	7,962,587	-	11,788,571
Accumulated Depreciation-CIAC	(2,052,849)	(2,492,383)	-	(4,545,232)
Construction Work in Progress	981,323	11,148	9,794	1,002,264
GASB 68 Deferred Outflow	1,000,371	344,049	412,751	1,757,171
Total Assets	<u>\$ 31,054,151</u>	<u>\$ 20,318,797</u>	<u>\$ 22,523,088</u>	<u>\$ 73,896,036</u>
Liabilities + Net Assets				
Accounts Payable	\$ 1,502,709	\$ 86,424	\$ 62,580	\$ 1,651,714
Payable to City of Stoughton	539,739	458,608	20,611	1,018,959
Interest Accrued	22,482	14,454	16,063	52,998
Other Liabilities	1,717,025	127,760	128,388	1,973,174
Long-Term Debt	3,813,098	3,704,723	3,658,266	11,176,087
Net Assets	22,285,442	15,528,069	18,229,530	56,043,041
GASB 68 Deferred Inflow	1,173,656	398,757	407,651	1,980,064
Total Liabilities + Net Assets	<u>\$ 31,054,151</u>	<u>\$ 20,318,797</u>	<u>\$ 22,523,088</u>	<u>\$ 73,896,036</u>

STOUGHTON UTILITIES

Year-to-Date Combined Income Statement

December 31, 2020

	Electric	Water	Wastewater	Total
<i>Operating Revenue:</i>				
Sales	\$ 14,504,827	\$ 2,286,519	\$ 2,131,307	\$ 18,922,653
Other	132,634	46,018	69,152	247,805
<i>Total Operating Revenue:</i>	\$ 14,637,461	\$ 2,332,537	\$ 2,200,459	\$ 19,170,458
<i>Operating Expense:</i>				
Purchased Power	10,596,835	-	-	10,596,835
Expenses (Including Taxes)	1,769,490	1,083,460	1,046,543	3,899,492
PILOT	445,995	437,266	-	883,261
Depreciation	1,193,582	468,240	808,765	2,470,587
<i>Total Operating Expense:</i>	\$ 14,005,902	\$ 1,988,966	\$ 1,855,308	\$ 17,850,176
<i>Operating Income</i>	\$ 631,559	\$ 343,571	\$ 345,151	\$ 1,320,282
Non-Operating Income	284,499	41,040	120,930	446,469
Non-Operating Expense	(89,016)	(79,676)	(98,304)	(266,996)
<i>Net Income</i>	\$ 827,043	\$ 304,935	\$ 367,778	\$ 1,499,756

STOUGHTON UTILITIES

Year-to-Date Combined Income Statement

December 31, 2019

	Electric	Water	Wastewater	Total
<i>Operating Revenue:</i>				
Sales	\$ 14,499,815	\$ 2,279,312	\$ 1,995,350	\$ 18,774,478
Other	124,756	\$ 37,205	\$ 133,074	295,036
<i>Total Operating Revenue:</i>	\$ 14,624,572	\$ 2,316,517	\$ 2,128,425	\$ 19,069,514
<i>Operating Expense:</i>				
Purchased Power	10,832,755	-	-	10,832,755
Expenses (Including Taxes)	1,942,152	1,066,072	1,025,313	4,033,537
PILOT	452,940	431,034	-	883,974
Depreciation	1,194,203	484,888	856,914	2,536,005
<i>Total Operating Expense:</i>	\$ 14,422,050	\$ 1,981,994	\$ 1,882,227	\$ 18,286,271
<i>Operating Income</i>	\$ 202,522	\$ 334,523	\$ 246,197	\$ 783,243
Non-Operating Income	370,478	251,411	236,713	858,603
Non-Operating Expense	(132,408)	(113,318)	(110,270)	(355,997)
<i>Net Income</i>	\$ 440,592	\$ 472,616	\$ 372,640	\$ 1,285,849

STOUGHTON UTILITIES

Rate of Return

Year-to-Date December 31, 2020

	<u>Electric</u>	<u>Water</u>
Operating Income (Regulatory)	\$ 785,957	\$ 476,665
Average Utility Plant in Service	30,296,569	16,963,661
Average Accumulated Depreciation	(14,611,097)	(5,524,213)
Average Materials and Supplies	315,333	40,319
Average Regulatory Liability	(77,564)	(119,802)
Average Customer Advances	(686,166)	(2,500)
Average Net Rate Base	\$ 15,237,075	\$ 11,357,464
December 2020 Rate of Return	5.16%	4.20%
December 2019 Rate of Return	2.87%	4.65%
December 2019 Rate of Return	2.87%	4.65%
Authorized Rate of Return	4.90%	5.00%

STOUGHTON UTILITIES
Cash and Investments Summary
As of December 31, 2020

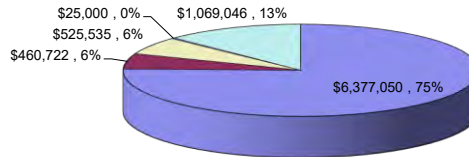
Electric

December 2020

Unrestricted (5.3 months sales)	\$	6,377,050
Bond Reserve	\$	460,722
Redemption Fund (P&I)	\$	525,535
Depreciation	\$	25,000
Designated	\$	1,069,046
Total	\$	8,457,353

Electric Cash - December 2020

■ Unrestricted (5.3 months sales) ■ Bond Reserve ■ Redemption Fund (P&I) ■ Depreciation ■ Designated



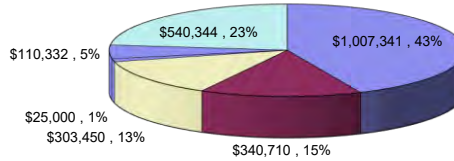
Water

December 2020

Unrestricted (5.3 months sales)	\$	1,007,341
Bond Reserve	\$	340,710
Redemption Fund (P&I)	\$	303,450
Depreciation	\$	25,000
Construction	\$	110,332
Designated	\$	540,344
Total	\$	2,327,177

Water Cash - December 2020

■ Unrestricted (5.3 months sales) ■ Bond Reserve ■ Redemption Fund (P&I) ■ Depreciation ■ Construction ■ Designated



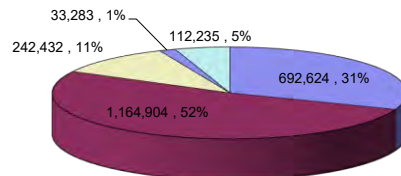
Wastewater

December 2020

Unrestricted (3.9 months sales)		692,624
DNR Replacement		1,164,904
Redemption Fund (P&I)		242,432
Depreciation		33,283
Designated		112,235
Total		2,245,478

Wastewater Cash - December 2020

■ Unrestricted (3.9 months sales) ■ DNR Replacement ■ Redemption Fund (P&I) ■ Depreciation ■ Designated



Stoughton Utilities

Financial Summary

January 2021 YTD

Overall Summary:

YTD 2021 operating income is \$179,500, up \$72,400 from 2020. The January financials when compared to prior years should be taken with a heavy grain of salt as they are prone to being skewed by timing of expenses, exaggerated percentage changes, seasonal changes, etc.

Electric Summary:

2021 operating income was \$105,000, up \$54,100 from the prior year YTD. 2020 operating revenues were \$52,300, or 4.6%, higher than 2020. However, about \$26,000 of additional revenue is related to revenue timing between 2020 and 2021 and will even out in February. Operating expenses were down 0.2% from 2020 due to lower labor costs.

The rate of return was 0.72% compared to 0.32% for YTD 2020. Unrestricted cash balances are \$5.6 million (5.0 months of sales).

Water Summary:

Operating revenues were up \$1,900, or 1%, from prior YTD 2020. Total gallons sold in January were about 0.8% higher than 2020.

Operating expenses were down \$8,700, or 5.7%, compared to the prior year. The reduced cost is due to timing of expenses between 2020 and 2021. I expect the expense gap to narrow in future months.

The rate of return was 0.40% compared to 0.32% for YTD 2020. Unrestricted cash balances are \$1.0 million (5.5 months of sales).

Wastewater Summary:

2020 operating revenue was \$168,200 and down \$600, or 0.4% from 2020.

Operating expenses were down \$8,200, or 5.5%, from 2020. \$4,100 of the reduce expense was from lower forecasted depreciation. Significant plant balance became fully depreciated in 2020, which has lowered forecasted depreciation for 2021. The remainder of reduced expenses is due to timing issues.

Unrestricted cash balances were \$0.8 million (4.5 months of sales).

Submitted by:
Ryan Wiesen

STOUGHTON UTILITIES

Balance Sheets

As of January 31, 2021

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Assets				
Cash & Investments	\$ 7,841,075	\$ 2,428,109	\$ 2,345,937	\$ 12,615,121
Customer A/R	1,576,548	254,786	240,613	2,071,948
Other A/R	133,233	-	-	133,233
Other Assets	1,334,751	288,186	171,706	1,794,643
Plant in Service	31,062,213	17,362,621	32,381,992	80,806,825
Accumulated Depreciation	(15,353,974)	(5,812,980)	(13,045,798)	(34,212,752)
Plant in Service - CIAC	3,825,984	7,962,587	-	11,788,571
Accumulated Depreciation-CIAC	(2,052,849)	(2,492,383)	-	(4,545,232)
Construction Work in Progress	569,331	13,701	9,794	592,826
GASB 68 Deferred Outflow	1,000,371	344,049	412,751	1,757,171
Total Assets	<u>\$ 29,936,683</u>	<u>\$ 20,348,676</u>	<u>\$ 22,516,994</u>	<u>\$ 72,802,354</u>
Liabilities + Net Assets				
Accounts Payable	\$ 187,869	\$ 64,395	\$ 45,062	\$ 297,326
Payable to City of Stoughton	544,687	474,599	-	1,019,287
Interest Accrued	29,087	20,917	23,395	73,398
Other Liabilities	1,688,009	109,908	112,235	1,910,152
Long-Term Debt	3,813,098	3,704,723	3,658,266	11,176,087
Net Assets	22,500,277	15,575,377	18,270,385	56,346,040
GASB 68 Deferred Inflow	1,173,656	398,757	407,651	1,980,064
Total Liabilities + Net Assets	<u>\$ 29,936,683</u>	<u>\$ 20,348,676</u>	<u>\$ 22,516,994</u>	<u>\$ 72,802,354</u>

STOUGHTON UTILITIES

Year-to-Date Combined Income Statement

January 31, 2021

	Electric	Water	Wastewater	Total
<i>Operating Revenue:</i>				
Sales	\$ 1,136,805	\$ 185,887	\$ 167,574	\$ 1,490,266
Other	47,524	5,670	644	53,838
<i>Total Operating Revenue:</i>	\$ 1,184,329	\$ 191,557	\$ 168,218	\$ 1,544,104
<i>Operating Expense:</i>				
Purchased Power	802,542	-	-	802,542
Expenses (Including Taxes)	135,094	65,620	71,985	272,699
PILOT	39,250	37,333	-	76,583
Depreciation	102,417	42,062	68,333	212,812
<i>Total Operating Expense:</i>	\$ 1,079,303	\$ 145,015	\$ 140,318	\$ 1,364,635
<i>Operating Income</i>	\$ 105,027	\$ 46,542	\$ 27,900	\$ 179,469
Non-Operating Income	119,841	7,228	20,288	147,358
Non-Operating Expense	(10,033)	(6,463)	(7,332)	(23,828)
<i>Net Income</i>	\$ 214,835	\$ 47,308	\$ 40,856	\$ 302,999

STOUGHTON UTILITIES

Year-to-Date Combined Income Statement

January 31, 2020

	Electric	Water	Wastewater	Total
<i>Operating Revenue:</i>				
Sales	\$ 1,111,296	\$ 184,273	\$ 168,030	\$ 1,463,599
Other	20,780	\$ 5,371	\$ 826	26,977
<i>Total Operating Revenue:</i>	\$ 1,132,076	\$ 189,644	\$ 168,856	\$ 1,490,576
<i>Operating Expense:</i>				
Purchased Power	802,921	-	-	802,921
Expenses (Including Taxes)	136,909	74,087	76,043	287,039
PILOT	39,250	37,000	-	76,250
Depreciation	102,117	42,645	72,500	217,262
<i>Total Operating Expense:</i>	\$ 1,081,197	\$ 153,732	\$ 148,543	\$ 1,383,472
<i>Operating Income</i>	\$ 50,879	\$ 35,912	\$ 20,313	\$ 107,104
Non-Operating Income	171,470	9,943	19,199	200,612
Non-Operating Expense	(10,981)	(7,262)	(8,192)	(26,435)
<i>Net Income</i>	\$ 211,369	\$ 38,593	\$ 31,320	\$ 281,281

STOUGHTON UTILITIES

Rate of Return

Year-to-Date January 31, 2021

	<u>Electric</u>	<u>Water</u>
Operating Income (Regulatory)	\$ 105,027	\$ 46,542
Average Utility Plant in Service	30,654,219	17,255,621
Average Accumulated Depreciation	(15,124,732)	(5,698,127)
Average Materials and Supplies	441,048	42,573
Average Regulatory Liability	(66,484)	(85,574)
Average Customer Advances	(1,344,916)	(5,000)
Average Net Rate Base	\$ 14,559,135	\$ 11,509,493
January 2021 Rate of Return	0.72%	0.40%
January 2020 Rate of Return	0.32%	0.32%
December 2020 Rate of Return	5.16%	4.20%
Authorized Rate of Return	4.90%	5.00%

STOUGHTON UTILITIES
Cash and Investments Summary
As of January 31, 2021

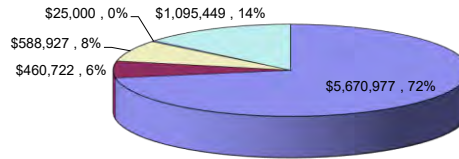
Electric

January 2021

Unrestricted (5.0 months sales)	\$	5,670,977
Bond Reserve	\$	460,722
Redemption Fund (P&I)	\$	588,927
Depreciation	\$	25,000
Designated	\$	1,095,449
Total	\$	<u>7,841,075</u>

Electric Cash - January 2021

■ Unrestricted (5.0 months sales) ■ Bond Reserve ■ Redemption Fund (P&I) ■ Depreciation ■ Designated



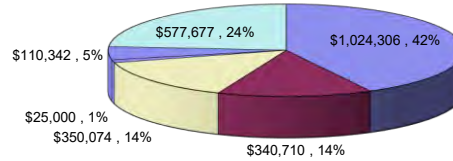
Water

January 2021

Unrestricted (5.5 months sales)	\$	1,024,306
Bond Reserve	\$	340,710
Redemption Fund (P&I)	\$	350,074
Depreciation	\$	25,000
Construction	\$	110,342
Designated	\$	577,677
Total	\$	<u>2,428,109</u>

Water Cash - January 2021

■ Unrestricted (5.5 months sales) ■ Bond Reserve ■ Redemption Fund (P&I) ■ Depreciation ■ Construction ■ Designated



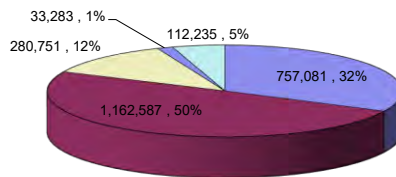
Wastewater

January 2021

Unrestricted (4.5 months sales)		757,081
DNR Replacement		1,162,587
Redemption Fund (P&I)		280,751
Depreciation		33,283
Designated		112,235
Total		<u>2,345,937</u>

Wastewater Cash - January 2021

■ Unrestricted (4.5 months sales) ■ DNR Replacement
■ Redemption Fund (P&I) ■ Depreciation
■ Designated



STOUGHTON UTILITIES
2021 Statistical Worksheet

Electric	Total Sales 2020 kWh	Total kWh Purchased 2020	Total Sales 2021 kWh	Total kWh Purchased 2021	Demand Peak 2020	Demand Peak 2021
January	11,728,250	12,391,530	11,877,586	12,568,526	21,586	21,527
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
TOTAL	11,728,250	12,391,530	11,877,586	12,568,526		

Water	Total Sales 2020 Gallons	Total Gallons Pumped 2020	Total Sales 2021 Gallons	Total Gallons Pumped 2021	Max Daily High 2020	Max Daily Highs 2021
January	34,224,000	40,776,000	34,489,000	38,064,000	1,719,000	1,435,000
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
TOTAL	34,224,000	40,776,000	34,489,000	38,064,000		

Wastewater	Total Sales 2020 Gallons	Total Treated Gallons 2020	Total Sales 2021 Gallons	Total Treated Gallons 2021	Precipitation 2020	Precipitation 2021
January	25,995,000	33,824,000	23,902,000	28,478,000	1.92	1.69
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						
TOTAL	25,995,000	33,824,000	23,902,000	28,478,000	1.92	1.69



Stoughton Utilities Activities Report

January 2021

Technical Operations Division

Brian R. Hoops
Assistant Utilities Director

Customer Billings: Staff processed 9,609 customer billing statements totaling \$1.634M during our monthly billing process on January 8, as well as supplemental billings daily throughout the month as customers closed existing or opened new accounts.

Electric utility billings totaled \$1.214M, water utility billings totaled \$0.184M, wastewater utility billings totaled \$0.179M, and stormwater utility billings totaled \$0.057M.

Total billings for the month were 5.91% higher/lower than this month in 2020.

Our wholesale purchased power was 12.57 megawatt hours (MWh) with a peak demand of 21.5 megawatts (MW) occurring on January 25 at 6:00 p.m.

Customer Payments: Staff processed 8,787 payments totaling \$1.50M, including 1,266 checks, 1,517 lockbox payments, 248 credit cards by phone, 1,657 *My Account* online payments, 3,368 AutoPay payments by credit card and bank withdrawal, 724 direct bank payments, and \$470 in cash.

When compared to 2020, the total number of payments year to date is down 1.6%, and the total amount of payments year to date is down 5.6%.

Delinquent Collections – Monthly Statistics: As of January 1, there were 1,549 active accounts carrying delinquent balances totaling \$352,980, and 59 closed accounts carrying delinquent balances totaling \$12,800. Of the total amount delinquent, \$161,484 was 30 or more days past due.

All residential service disconnections – electric and water – remain suspended by the PSC until April 15, 2021. Residential customers have now been provided with a 20-month disconnection moratorium during which collection activity has been, and will continue to be, suspended.

We ended the month of January with \$183,728 remaining 30 or more days past-due. For comparison, 30+ day delinquencies are 100% higher than this time last year (\$91,800). Month-over-month delinquencies increased by 0.8% from December.

Continuing analysis of the data available to us indicates that the accounts that have accrued and are continuing to carry and increase their delinquent balances through the COVID-19 disconnection moratorium are largely the same accounts that also accrued and carried delinquencies over the winter disconnection moratorium prior to the pandemic. We have not seen any significant increase in the number of new delinquent accounts, however the balances carried by this small percentage of customers continues to increase.

Delinquent Collections – Ongoing Efforts: On October 22, the Wisconsin Public Service Commission voted to extend their prohibition of all residential electric and water service disconnections through April 15, 2021. Non-residential accounts remain subject to disconnection for nonpayment of service.

During the month of January, the following collection activity occurred:

- On January 13, we mailed out 10-day notices of pending disconnection to 59 delinquent non-residential accounts.
- On January 13, we mailed out past-due notices to 481 delinquent customers not subject to service disconnection.

- On January 27, we delivered automated phone calls to 26 non-residential customers providing a final warning of pending electric service disconnection.

Throughout the winter months, Collections Technician Carol Cushing will be reviewing all delinquent accounts for additional collections opportunities, including placement with the Wisconsin Department of Revenue's (DOR) State Debt Collection (SDC) program and the DOR Tax Refund Intercept Program (TRIP). Notices of potential SDC and TRIP filings will be mailed to currently delinquent customers, with periodic reviews and new notifications continuing throughout the winter months.

Education & Customer Outreach: Customer Service Technician Brandi Yungen continued to utilize our social media presence to provide important and timely information to our customers.

Topics during January included:

- A #FlashbackFriday post with a SU employee group photo from 1991
- Streetlight educational information
- Recognition of Martin Luther King Jr. Day
- Promotion of our 2021 customer incentive programs
- Information about our AutoPay Program
- Information and tips for energy conservation and sustainability
- Announcing a MEUW scholarship opportunity for students

Our social media posts in January reached 1,125 viewers with an average engagement rate of 5%.

Energy Assistance: During the month of January, energy assistance (EA) payments totaling \$14,604 were received from the State of Wisconsin Public Benefits Program and applied to 185 customer accounts to assist these customers with their seasonal home heating expenses.

Customers can continue to apply for seasonal energy assistance through May 1, 2021.

Financial Audit for 2020: The financial auditors were virtually 'onsite' in January to complete the annual audit. Billing & Metering Specialist Erin Goldade assisted with providing billing data and procedures upon request. Brian Hoops reported on assets in stock, purchased, installed, and retired in 2020. Asset reporting was also completed in advance of the creation of the Public Service Commission Annual Reports for electric and water.

Lead Service Line Replacement Project: Staff began planning efforts for a citywide lead service line identification project, where water and wastewater operators will be going door to door throughout the city seeking homeowner permission to conduct a review of the service line material entering the home. If lead is found during the verification, the customer will be notified of required replacement, and provided with documentation that will allow SU to complete the replacement.

To facilitate this verification process, numerous maps and data collection applications were created in GIS for our field staff to record their findings, track notification efforts, and collect customer contact information for later use.

Analysis of all prior lead identification efforts was completed in preparation for the bidding of the LSL replacement project. GIS information related to parcels service by lead lines, as well as our water and wastewater system information, was provided to our consulting engineers for their review and use while creating the bid specification and supporting documents.

Recalculation of Budget Billing Plan Payment Amounts: Customer Service Technician Brandi Yungen completed the biannual review of the payment amounts for customers enrolled in our Budget Billing Plan. Customers' monthly payment amounts are updated twice a year to reflect their current average usage, with monthly adjustments made in lieu of an annual true-up bill.

Over 500 customer accounts were updated with a new payment amount. Customers receiving a substantial increase or decrease are notified by letter, while those with nominal adjustments are notified using a message on their monthly billing statement.

Electric Division and Planning Division

Sean O Grady
Operations Superintendent

Bryce A. Sime
Electric System Supervisor

Electric Service Installations: During the month of January we installed four new underground services, two overhead service upgrades, one service panel upgrade, and one solar photovoltaic system installation.

Electric System Trouble Calls: Staff responded to a total of three trouble calls and outages, including one vehicle vs. pole collision, one three-phase pad mount transformer failure, and one overhead service drop splice failure.

Highway A Industrial Construction: A temporary three-phase electric service was provided to the construction site.

Nygaard Street Multi-Unit Site: We continue to work with the developer and electrician to provide a temporary electric service for the construction site.

Oak Tree Trimming: Staff was able to trim a few oak trees located in our rural service territory this month. State mandated moratoriums on trimming oak trees only allows us a small window of opportunity to trim oak trees during the winter months.

Overhead Line Clearance Contract: We received three proposals with the low bid coming from Asplundh Tree Experts LLC. Crews are anticipated to start this winter and depending on the number of crews on site, they could finish by as early as spring.

Overhead Line Reconstruction - Hogie Road Phase II: The overhead pole line was deenergized and staff began the process of removing the existing line and poles in preparation of later reconstruction.

Overhead Transformer Tank Ground Connection Failure: One of our larger single-phase pole-mounted transformer installations had to be replaced. Not having the ability to ground the transformer tank can cause irregular voltages on the hot legs and neutral wire.

Stoughton High School Osprey Nest: We have been working collaboratively with ATC, the regional transmission provider, and the Stoughton Recreation Department to relocate an Osprey nest that is currently located on one of the light fixtures around the high school baseball diamond. Relocation will be made to the top of a new pole located on a nearby park/city property.

As part of this collaborative effort, ATC is providing the pole and nesting basket, the city is providing the site for the new pole, and Stoughton Utilities will be setting a new pole with a nesting basket attached. Stoughton Utilities previously conducted a similar project like this at Mandt Park, where we were successful in relocating a nest from a nearby transmission power pole to a new platform located on the grounds of our wastewater treatment facility.

Underground Electric Service Installations: We are receiving a higher than normal number of requests for new electric services to be installed during the winter months for new construction. Two builders paid additional frost charges to have their underground services trenched in immediately instead of being temporarily located above ground.

Vehicle Maintenance: Electric line trucks 5, 12, and 15 were taken offsite this month for completion of the annual inspection and dielectric testing of the aerial lifts. Minor repairs of issues found during the inspection were completed. This completes our annual testing for 2021.

Wire String Trailer: The hydraulic pump failed on the wire puller and was replaced by the manufacturer.

Wastewater Division

Brian G. Erickson
Stoughton Utilities Wastewater System Supervisor

The wastewater treatment facility processed an average daily flow of 1.145 million gallons with a monthly total of 35.486 million gallons. The total precipitation for the month was 1.69 inches.

Collection System Maintenance: Staff continues to televise and clean sewers as time allows. Staff is also working on preparing data for our 2021 slip lining project.

Containing Education: Wastewater Operators Mark Bakken and Phil Zweep attended a virtual classroom session on Wastewater Activated Sludge and Process Control conducted by Wisconsin Rural Water Association. Topics included activated sludge theory, types of activated sludge wastewater treatment plants and process control for troubleshooting issues that arise at activated sludge treatment plants.

Digester Issues: We are working with our contractor in preparation of having both digesters emptied and cleaned in 2021. Digesters typically need to be cleaned every five to seven years.

Laboratory Procedures and Training: We have been working with our staff lab technician to develop and document lab procedures. All water and wastewater operators are currently being trained on laboratory procedures and plant operations, including routine process control testing.

Lift Station Maintenance: We continue to experience plugging issues with the 8th Street and Vennevoll Lift Stations due to improper household materials being discharged into the sanitary sewer collection system. Staff continues to remediate issues as they arise, and are keeping an eye on the stations to prevent any severe issues that may affect area homes.

PFAS Testing: The DNR came down to pull testing samples for PFAS. The DNR will be conducting these tests throughout the state to determine a baseline for this contaminant and begin to develop and implement control processes that will likely be part of future treatment permitting.

Phosphorus Study Report: We are working with our consulting engineer on a plant phosphorus report that will be submitted to the DNR. This report will be required periodically throughout the next three years as our effluent limit changes to reflect the current treatment permit.

Plant Maintenance: During the month of January, staff rebuilt the west screw grease pump, rebuilt drip traps, and ordered new filters so we don't continue to get flame failures.

Service Truck Replacement: We acquired a new service truck, which has been delivered to a service shop to have a service body and crane installed. The truck it's replacing has been taken out of service due to numerous mechanical and body issues.

Sewer Televising Equipment: We will be purchasing new televising equipment and retrofitting it into our existing televising truck. We are in the process of reviewing software that will be compatible with our new equipment and our GIS database.

Water Division

Kent F. Thompson
Water System Supervisor

Continuing Education: Three water operators attended a virtual classroom session on Wastewater Activated Sludge and Process Control conducted by Wisconsin Rural Water Association. Topics included activated sludge theory, types of activated sludge wastewater treatment plants and process control for troubleshooting issues that arise at activated sludge treatment plants. All three of the water operators who attended this training gained continuing education credits towards their wastewater operator certifications.

The water and wastewater divisions continue to collaborate and work closely with one another to strengthen our dynamic team.

Meter Testing and Replacements: Operations Specialist Marty Seffens completed the remaining meter testing and replacements for 1.5" and 2" meters required during 2020. Four meters were not able to be tested during the 2020 calendar year due to failed private service valves. Curb stop valves were closed so that the private contractor could replace the valves, and the water meters were tested to ensure accuracy while the plumbing upgrades were being completed.

Service Leaks: One water service leak occurred during the month. The leak was located on a private water service which was repaired by a privately hired contractor. The leak persisted for an unknown amount of time because the water followed the service through the foundation wall and filled the basement rather than coming to the surface outside the building. Water operators were mobilized a number of times to close the publicly owned curb stop so that the contractor could make the repairs. An estimated 200,000 gallons of water was lost from the service during the course of the leak.

Wastewater Treatment Plant Cross-Training: Two water operators spent time working closely with the wastewater lab technician in an effort to diversify our team. Valuable knowledge of plant operations as well as required sampling and lab analysis procedures were covered during this cross-training effort. Operators will continue to cross-train on plant operations and lab procedures on a regular schedule so that all operators are able to complete the lab work when they are the operator scheduled to be on standby.

Wellhouse Maintenance: Four doors at two separate wellhouses were relocated because they were failing. This relocation of the closures will allow us to prolong the life of the doors.

Water operators completed paint upgrades of all of the gas piping within the four wellhouses. Requirements for the Operation and Design of Community Water Systems NR 811 was followed which upgraded our gas piping from yellow to red in color.

Water operators replaced a failed exhaust motor at one of the wellhouses. The exhaust motor opens and closes an outside air louver for temperature control purposes.

Energy Services Section

Amy B. Wanek

Stoughton Utilities and WPPI Energy Services Manager (ESM)

City of Stoughton Efficiency Projects: Lighting projects at the Senior Center and Fire Department were evaluated. These projects were considered for application for an Wisconsin Office of Energy Innovation grant, but ultimately the application was decided to be not worth pursuing as it was unlikely to be awarded. During the evaluation, potential energy savings were calculated, which were provided to the regional Focus on Energy advisor to research potential incentives, and incentives through Stoughton Utilities and WPPI Energy are also being researched.

Focus on Energy Incentives: During the month of January, Stoughton Utilities customers received the following incentive amounts for energy efficiency and renewable projects from Wisconsin Focus on Energy:

Residential: 11 Incentives totaling \$454 with projected annual savings of 8,852 kWh.

Non-Residential: No incentives were sought by non-residential customers.

Stoughton Utilities Key Accounts: All key accounts have been contacted with the exception of one. During these discussions, various Stoughton Utilities and WPPI Energy offerings are discussed, as well as a review of Focus on Energy programs that are available.

One key account is moving forward with the second phase of their solar photovoltaic installation, adding 144 kW of generation to offset their facility's energy use. They anticipate receiving approximately \$17,400 in incentives to assist with the funding of the project. Another key account expressed interest in applying for the Renewable Energy for Non-Profits RFP for a future renewable generation project.

WPPI Energy Community Funds: Stoughton Utilities took full advantage of the available community funding programs offered by Stoughton Utilities, including the Community Contributions, COVID-19 Community Recharge, Economic Development, School Education & Outreach, and Customer Services & Branding funds. These funds allow WPPI member utilities to contribute money back to the community through a variety of local offerings, furthering the Public Power benefit to the Stoughton community.

Please visit our website at www.stoughtonutilities.com to view current events, follow project schedules, view Utilities Committee meeting notices, packets and minutes, review our energy conservation programs, or to learn more about your Stoughton Utilities electric, water, and wastewater services. You can also view your current and past billing statements, update your payment and billing preferences, enroll in optional account programs, and make an online payment using *My Account* online.



Stoughton Utilities Activities Report

February 2021

Director's Report

Jill M. Weiss, P.E.
Stoughton Utilities Director

January was a uniquely challenging month. Between Stoughton Utilities' major projects and our standard year end activities, the ongoing TDS deployment project and planning for our 2021 citywide lead service line replacement project continued to take up much of our time. In addition, my own personal battle with COVID-19 carried on through the month, though I was able to work through most of my illness. Fortunately, I am surrounded by an amazing team that all work endlessly to ensure the services SU provides.

February was a much better month as my illness had passed and I was able to work to get caught up with our ongoing heavy workload.

2021 Citywide Lead Service Line Replacement Project: Throughout January and February we continued to plan for the 2021 lead service line replacement effort. Much of the work in January focused on the development of plans and strategies to engage the property owners and ensure we had the mechanisms in place to be able to complete the replacements on private property. February was focused on finalizing the bidding documents, project plans, and construction specifications.

Although our engagement with our consulting engineers was very helpful, this type of project was new to them which has caused utility staff to take a far more active role in deciding the specifications, bidding language and how best to create the bid form. Working on the private side of the water system also adds unique challenges in developing the construction plan and bidding documents. Also, we wanted to simplify the grant reimbursement process to the greatest extent possible, which needs to start how the bid form was created.

On the customer engagement side, we are working to educate the property owners by providing notification of the public nuisance that lead presents, in accordance with the new municipal ordinance. We have also been detailing the service line replacement process to make customers aware and prepared, even though many of the project specifics will be determined by the selected contractor.

Additionally, we have worked to set up our internal systems to be ready to unroll a systemwide lead service line identification and replacement project, and to be able to manage the data for the contractor, our customers, the DNR for grant reimbursement, and for our internal use

TDS Citywide Fiber Communications Deployment: The TDS pole replacement and make-ready project continues, and is getting closer to being complete. Our construction contractor has been working through the TDS project area and replacing poles, attaching new anchors and supports, moving existing communications attachments when possible, and tracking inventory used and removed.

The past months have also been filled with efforts to finalize the dark fiber agreement between TDS and Stoughton Utilities. SU has made every effort to expedite all the attachment make-ready work in exchange for exclusive use of some strands of fiber throughout the city to link our remote facilities. The dark fiber obtained through this agreement is vital to ensuring future system health and awareness, and to increase overall security of the utility. Completing this agreement before the make-ready project is complete was very important to ensure all parties met their negotiated responsibilities. Legal representation for SU and TDS have been working to negotiate an agreement that works for both parties, and the final version will be presented to committee and council in March for approval.

SU Staffing: As the pole make-ready construction project comes to an end, we will no longer be able to rely on the services of our construction contractor to help support our electric division when needed. This

has included after-hours standby assistance. Although the contractor has provided minimal support, it has been a comfort to have them available if a need were to arise, as well as to provide our staff with more time away from work when their shifts end.

Given the upcoming departure of our construction contractor and the fact that the COVID-19 infections and general risk continues to decline, we have made additional efforts to fill the vacant positions within our Electric System Division with the help and support of the Human Resources/Risk Management Director Gillingham. We anticipate onboarding a new Journeyman Lineman soon, and continue to advertise for an additional Journeyman Lineman and Lineman Apprentice positions.

Upcoming Projects: Private development projects continue to take up a lot of our time, and we have been reviewing project plans for several large developments and participating in planning meetings and city reviews. Although these projects are now looking to begin construction in later 2021 and 2022, there are also numerous smaller projects that will likely be occurring sooner.

The road construction projects planned by the Wisconsin DOT that will occur in 2021 and 2022, as well as the proposed reconstruction of US Highway 51 through Stoughton and the rural areas of our service territory, continued to be reviewed and addressed.

The start of 2021 appears to indicate that this year will be another extremely busy year for Stoughton Utilities, likely overshadowing last year. 2020 was incredibly busy on so many fronts but it also created many lessons learned, preparing us to have a successful 2021 despite any challenges we may be faced with.

Technical Operations Division

Brian R. Hoops
Assistant Utilities Director

Customer Billings: Staff processed 9,642 customer billing statements totaling \$1.564M during our monthly billing process on February 8, as well as supplemental billings daily throughout the month as customers closed existing or opened new accounts.

Electric utility billings totaled \$1.149M, water utility billings totaled \$0.185M, wastewater utility billings totaled \$0.168M, and stormwater utility billings totaled \$0.062M.

Total billings for the month were 1.54% higher/lower than this month in 2020.

Our wholesale purchased power was 11.99 megawatt hours (MWh) with a peak demand of 23.8 megawatts (MW) occurring on February 15 at 7:00 p.m.

Customer Payments: Staff processed 4,818 payments totaling \$0.95M, including 1,020 checks, 1,454 lockbox payments, 236 credit cards by phone, 1,477 *My Account* online payments, 10 AutoPay payments by credit card and bank withdrawal, 611 direct bank payments, and \$310 in cash.

When compared to 2020, the total number of payments year to date is down 21.8%, and the total amount of payments year to date is down 18.2%. This decrease is primarily due to February's monthly billing due date falling in March, resulting in very few AutoPay payments being processed during the month.

Delinquent Collections – Monthly Statistics: As of February 1, there were 1,497 active accounts carrying delinquent balances totaling \$417,000, and 63 closed accounts carrying delinquent balances totaling \$14,400. Of the total amount delinquent, \$183,728 was 30 or more days past due.

All residential service disconnections – electric and water – remain suspended by the PSC until April 15, 2021. Residential customers have now been provided with a 16-month disconnection moratorium during which collection activity has been, and will continue to be, suspended.

We ended the month of February with \$183,062 remaining 30 or more days past-due. For comparison, 30+ day delinquencies are 88% higher than this time last year (\$97,600). Month-over-month delinquencies increased by 0.4% from January.

Continuing analysis of the data available to us indicates that the accounts that have accrued and are continuing to carry and increase their delinquent balances through the COVID-19 disconnection moratorium are largely the same accounts that also accrued and carried delinquencies over the winter disconnection moratorium prior to the pandemic. We have not seen any significant increase in the number of new delinquent accounts, however the balances carried by this small percentage of customers continues to increase.

Delinquent Collections – Ongoing Efforts: On October 22, the Wisconsin Public Service Commission voted to extend their prohibition of all residential electric and water service disconnections through April 15, 2021. Non-residential accounts remain subject to disconnection for nonpayment of service.

During the month of February, the following collection activity occurred:

- On February 11, we mailed out 10-day notices of pending disconnection to 52 delinquent non-residential accounts.
- On February 11, we mailed out past-due notices to 655 delinquent customers not subject to service disconnection.
- On February 23, we delivered automated phone calls to 22 non-residential customers providing a final warning of pending electric service disconnection.

Throughout the winter months, Collections Technician Carol Cushing will be reviewing all delinquent accounts for additional collections opportunities, including placement with the Wisconsin Department of Revenue's (DOR) State Debt Collection (SDC) program and the DOR Tax Refund Intercept Program (TRIP). Notices of potential SDC and TRIP filings will be mailed to currently delinquent customers, with periodic reviews and new notifications continuing throughout the winter months.

Education & Customer Outreach: Customer Service Technician Brandi Yungen continued to utilize our social media presence to provide important and timely information to our customers.

Topics during February included:

- Educational information about the ongoing citywide pole replacement project to accommodate new communications attachments
- Sharing information about Focus on Energy's free Focus Packs available to residential customers
- Notification of the start of our Lead Service Line verification project
- Educational information about preventing frozen water lines during frigid temperatures
- Information about electrical reliability and outage response
- Celebrating Valentines Day
- Educational information about energy efficient LED lighting and savings incentives
- Promotion of our ongoing 2021 customer incentive programs

Our social media posts in February reached 3,940 viewers with an average engagement rate of 2.5%.

Energy Assistance: During the month of February, energy assistance (EA) payments totaling \$15,104 were received from the State of Wisconsin Public Benefits Program and applied to 170 customer accounts to assist these customers with their seasonal home heating expenses.

Customers can continue to apply for seasonal energy assistance through May 1, 2021.

Lead Service Line Replacement Project: As field staff continued their citywide lead service line identification project, going door to door throughout the city seeking homeowner permission to conduct a review of the service line material entering the home, staff in the office worked to assist these efforts. Numerous phone calls were received from customers seeking to schedule appointments, field supplies were ordered, notifications were sent out to customers, and announcements about the effort were posted on social media.

Regular updates to our GIS data was made to reflect field findings, and the data collection applications were updated to make improvements and address field staff requests. The public lead service line map on our website was kept current with new findings.

Our public education program is ongoing, and customers were provided with information on their monthly bill statements, social media, and an updated webpage dedicated to our lead removal efforts.

Lineman Appreciation Day Coloring Contest: To celebrate National Lineworker Appreciation Day on April 18, Stoughton Utilities will be offering a coloring contest for children that live within SU's service territory.

The coloring contest runs now through April 18 to raise awareness of Stoughton Utilities and the Electric Lineworker profession. SU will continue to promote the contest through March and early April using our social media, an advertisement in the Hub, and a billing statement insert.

Children ages 4-12 are eligible, and a first-place winner will be selected from each of three age groups, as well as a grand prize winner chosen at random. Submissions will be displayed in the utility lobby when received.

Public Power Scholarship: We have reviewed and updated the criteria for our annual \$1,000 Public Power Scholarship. This year, Stoughton High School students have the option of writing an essay discussing the advantages of public power, why energy efficiency is important, what the schools can do to reduce their energy use, investments in renewable energy, and/or the important issues facing municipal electric utilities, or demonstrating the value of a public power utility through any other project of their choice.

The scholarship application deadline is May 1.

Public Service Commission Annual Reporting: As the city Finance & Accounting Department works to complete the electric and water Public Service Commission (PSC) Annual Reports, Billing & Metering Specialist Erin Goldade and Assistant Director Brian Hoops assisted with providing financial and operational data reports queried from CIS billing and GIS inventory databases. Reports include information about assets in stock, purchased, installed, and retired in 2020, customer categories and meter counts, water lateral and main materials, electric distributed generation, and more.

Public Service Commission Delinquency Reporting and Disconnection Plan: As part of the PSC's COVID-19 response, all utilities were required to submit quarterly reports on customer delinquencies, utility financial status, forfeited revenues, comparisons to past years, customer collection policies, low income customer account status, and more. These reports are required to be completed separately for the electric utility and the water utility.

Also required were disconnection plans for April, requesting more details on the above, as well as information about how disconnection eligibility would be determined, the number of potential affected customers, deferred payment agreement policies, and more. All required information was submitted to the Commission.

Public Service Commission Electric Billing Audit: In February 2019, SU was notified that we had been selected for a Stoughton Utilities was notified by the WPSC that were selected to receive a billing audit for the electric utility. As part of this audit, PSC staff reviewed SU's billing and collections policies, and reviewed customer billing statements from the past few years for numerous customers from all billing rate classifications.

Two deficiencies were found and reported to us in June 2020: the absence of abbreviation definitions printed on the billing statement, and the lack of sufficient billing details on municipal streetlighting billing statements. These deficiencies were resolved in July 2020.

We were notified in February 2021 that our corrective action plan and supporting documentation had been reviewed by the commission, and that they had determined that all audit findings had been resolved. SU staff is proud to report that all regulatory billing and collections are being met, as confirmed by this thorough audit conducted by the WPSC.

Residential Customer Incentive Programs: We have begun to market our two primary residential customer incentive programs for 2021.

- ENERGY STAR® appliance incentives are being offered to customers who purchase new efficient appliances, up to two \$25 incentives per account.
- We are again collaborating with Focus on Energy to enhance their existing Smart Thermostat incentive, adding an additional \$25 on top of their \$50 incentive, for a total incentive of \$75 towards the purchase of a new smart thermostat. Combined, these incentives can lower the cost of a smart thermostat by up to 60%.

Electric Division and Planning Division

Sean O Grady
Operations Superintendent

Bryce A. Sime
Electric System Supervisor

Electric Service Installations: During the month of February we installed one new underground service, six overhead service upgrades, and one temporary service for new construction.

Electric System Trouble Calls: During the month of February, there were no reportable trouble calls or outages.

Isham Street Development Preliminary Plan Review: We reviewed the proposed development plans to review the existing and develop design options for a potential new electric distribution design.

New Secondary Pole and Anchor Installation: We had an overhead service drop wire that crossed private property. This issue was corrected during a planned electric service upgrade.

Overhead Line Clearance Contract: Asplundh Tree Experts were awarded our 2021-line clearance contract. Crews will be mobilizing on site late next month and will be on our property for several months trimming out overhead electric lines throughout our service territory.

Overhead Line Reconstruction - Hogie Road Phase II: The overhead pole line was deenergized and all existing infrastructure removed, and staff has begun constructing the new overhead line. The Township of Dunkirk requested us to refrain from working on this project through the month of March as the road shoulders are getting soft. Construction activity will resume in April.

Spot Tree Trimming: New utility pole installations and communications attachments have created overhead line vegetation clearance issues in several areas. Our staff has trimmed out a few locations and the remaining locations will be trimmed by our contracted line clearance contractor.

Wastewater Division

Brian G. Erickson
Stoughton Utilities Wastewater System Supervisor

The wastewater treatment facility processed an average daily flow of 0.959 million gallons with a monthly total of 26.865 million gallons. The total precipitation for the month was 0.90 inches.

Collection System Maintenance: Staff rebuilt two manhole benches and flow lines. We are working with a contractor to replace several manholes and address some sanitary main breaks. We will be working with a construction contractor to repair a sewer main that had a communications conduit bored through it, with the repair to occur without any street opening.

Laboratory Procedures and Training: We have been working with our staff lab technician to develop and document lab procedures. Starting in May, we will begin contracting out our certified lab services, although all plant process control testing will continue to be completed onsite in our lab.

Lead Service Lines - Identification: Wastewater and water operators began the process of conducting water service line material verifications to identify lead service lines that will be replaced as part of our 2021 citywide replacement project. This effort will be ongoing into the spring months

Lift Station Maintenance: Staff have been working on addressing miscellaneous lift station issues. The 8th Street lift station – our oldest station – is being reviewed as part of the riverfront redevelopment, and we conducted a walkthrough to determine our future replacement plans.

Plant maintenance: During the month of February, staff rebuilt the return activated sludge (RAS) motor bearings, replaced the return flow meter, repaired a water leak on the digester heat exchanger, and addressed cold weather issues with some outside equipment that resulted from the prolonged frigid temperatures.

Regulatory Air Emission Reporting: Reports were sent to the Wisconsin DNR and US EPA for the required reporting of air emissions from the plant generator.

Sewer Main Slip Lining Project: We have completed sewer main reviews and televising in preparation for this year's slip lining project. We will be lining sewer mains that are known to contain legacy mercury with the goal of reducing our effluent mercury levels.

Sewer Televising Equipment: We have completed our review of new televising camera equipment and have placed an order for a new system. We are also reviewing software packages for televising record keeping and video organization, with the goal of eventually providing full GIS integration and having a cloud-based storage/management platform.

Water Division

Kent F. Thompson
Water System Supervisor

Backflow Prevention Testing: Testing of a replaced regulated backflow preventer owned by the water department was scheduled and completed. This device has been registered and is required for use when bulk water is being provided to contractors. Backflow preventers keep potentially contaminated water from entering the distribution system in the event of back siphonage or increased downstream pressure.

Lead Service Line Replacement Groundwork: Water and Wastewater operators have been working diligently at accessing and recording service material type throughout the older and historical neighborhoods of the city. It is our goal to conduct service line material verifications at approximately 1,400 properties prior to the start of our 2021 citywide lead service line replacement project. When a galvanized or lead service is identified in the basement of the property, the operator notifies the property owner of the service material and obtains authorization to replace the service utilizing the grant money that we expect to receive from the DNR.

Monthly Generator Operation: The generators at Well No. 5 and Well No. 7 were operated under load to ensure their proper function in the event of an electrical outage. When an electrical outage occurs, the two wellhouses that have standby generators are able to create enough electricity to power the pumps and provide water to the distribution system. These generators are operated each month by the water operators.

Routine Water Sampling: Water samples were collected from 10 sites throughout the distribution system over a period of three weeks to be analyzed by the Wisconsin State Lab of Hygiene for the presence of coliform bacteria. Upon testing, no samples had the presence of coliform.

One fluoride sample was analyzed in our water lab and then forwarded to the State Lab for additional analysis to ensure the accuracy of our fluoride testing equipment. We are required to keep the fluoride concentration throughout the distribution system between 0.60 ppm and 0.80 ppm.

Additional daily samples are collected throughout the city and analyzed for both chlorine and fluoride in our water lab which guides us in adjusting the dosage of disinfection and fluoride at the wells.

Wastewater Treatment Plant Cross-Training: Water operators continue to spend time working closely with the wastewater lab technician in an effort to diversify our team. Valuable knowledge of plant operations as well as required sampling and lab analysis procedures are being covered during this cross-training effort. Operators will continue to cross-train plant operations lab procedures on a regular schedule so that all operators are able to complete the lab work when they are the operator scheduled to be on standby.

Water Main Breaks: Two water main breaks occurred during the month with significant water losses. One of the main breaks is believed to have leaked into a sanitary manhole below the surface of the road and remained undetected for approximately 15 days. An estimated 2.6 million gallons of water loss was calculated using past trending data and meter records. Water operators were able to repair both mains without the assistance of additional contractors.

Energy Services Section

Amy B. Wanek
Stoughton Utilities and WPPI Energy Services Manager (ESM)

Focus on Energy Incentives: During the month of February, Stoughton Utilities customers received the following incentive amounts for energy efficiency and renewable projects from Wisconsin Focus on Energy:

Residential:	Incentives totaling \$40,54 with projected annual savings of 747,700 kWh.
Non-Residential:	No incentives were sought by non-residential customers.

Stoughton Utilities Residential Incentives: During the month, six customers applied for the new residential customer incentives offered for 2021. Three rebates were issued for the purchase of new Energy Star appliance, two rebates were issued for smart thermostat purchases, and one rebate application was received for an EV car charger.

Please visit our website at www.stoughtonutilities.com to view current events, follow project schedules, view Utilities Committee meeting notices, packets and minutes, review our energy conservation programs, or to learn more about your Stoughton Utilities electric, water, and wastewater services. You can also view your current and past billing statements, update your payment and billing preferences, enroll in optional account programs, and make an online payment using *My Account* online.



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021
To: Stoughton Utilities Committee
From: Jill M. Weiss, P.E.
Stoughton Utilities Director
Subject: Stoughton Utilities Communications

February 10, 2021 Winter 2021 Renewable Report, a direct mailing from Stoughton Utilities and WPPI Energy sent to all customers who participate in our *Choose Renewable* program.

February 22, 2021 Stoughton Utilities press release announcing the recent \$500 donation from the Stoughton Utilities RoundUP program to Folks Wagons, Inc.

February 22, 2021 Stoughton Utilities press release announcing the recent \$500 donation from the Stoughton Utilities RoundUP program to the Society of St. Vincent de Paul – St. Ann Conference.

March 1, 2021 Fact sheet regarding the new Wisconsin Emergency Rental Assistance Program, which provides supplemental utility and home energy payment assistance to eligible households. The program is administered by the Wisconsin D.O.A., and customers can apply through Energy Services, Inc. similar to applying for standard winter energy assistance.

March 8, 2021 Stoughton Utilities press release discussing the upcoming 2021 Citywide Lead Service Line Replacement Program, including the announcement of grant funding from the Wisconsin Department of Natural Resources to cover homeowner costs associated with replacement, and announcing an upcoming live Project Q&A public forum hosted by Stoughton Utilities using Facebook Live.

March 8, 2021 Stoughton Utilities billing statement insert discussing the upcoming 2021 citywide Lead Service Line Replacement Program, including the announcement of DNR grant funding, construction project details, links to more information, and announcing the Facebook Live public project Q&A.

March 10, 2021 Tariff changes approved by the Wisconsin Public Service Commission for River Falls Municipal Utilities (RFMU) to lower the cost of their option *Choose Renewable* program by reducing pricing from \$3 to \$2 per block when enrolled with fewer than 20 blocks, and to \$1 when enrolled with 20 blocks or more. A bulk tariff update application will be filed by WPPI Energy on behalf of its members to update individual tariffs to match the tariff approved for RFMU.

WINTER 2021

Renewable report

Shared strength through WPPI Energy



www.stoughtonutilities.com
608.873.3379

Kid-Friendly Ways to Discuss Renewable Energy

Have you been spending more family time together since the beginning of the pandemic? Perhaps you have also noticed your utility bills going up a bit since everyone is home more often. Energy is constantly being distributed and delivered into your home to run appliances, charge devices, and keep your family comfortable.

This is a great opportunity to introduce the concept of renewable energy to your children. For a fun and educational dinnertime conversation, consider using the topic of renewable energy resources as a learning experience for the entire family.

RENEWABLE RESOURCES ARE EXCITING!

Renewable resources are sources of energy that can continuously be used and replaced without being exhausted. You might encourage everyone at the dinner table to work together to come up with a list of renewable energy resources to discuss, and see how many you can name. The most common of these resources are shown at the right.

FOSSIL FUELS ARE STILL NEEDED

Now, can you name nonrenewable fossil fuels that are also commonly used as energy resources? Fossil fuels take millions of years to form, and have the potential to run out. Even though renewable energy is a growing market, the world still relies on fossil fuels to meet its energy needs. Common fossil fuels used to produce energy include coal, oil and natural gas.

Nuclear power is another important energy source. Nuclear power plants do not pollute the air or emit greenhouse gases. However, nuclear power does produce radioactive waste, which must be managed to avoid human exposure.

Enjoy discussing the different types of energy that power your home and community!



BIOMASS

Biomass energy comes from plants or other organic matter. Biomass can be used to generate electricity or to produce replacement fuels such as ethanol or biogas.



GEOHERMAL

Geothermal energy comes from heat deep underground. The heat creates steam that can be used to generate electricity.



HYDROPOWER

Hydropower comes from the energy of falling or fast-running water. The water turns a turbine that produces electricity.



SOLAR

Solar energy comes from the sun and is converted to electricity by solar panels.



WIND

Wind energy comes from moving air. Wind turns wind turbines, which generate electricity.

K	F	C	U	I	B	D	M	I	Q	G	E	G	P	I
A	S	D	U	L	H	E	L	B	Y	E	U	T	E	P
N	O	W	M	S	Y	T	Z	N	J	O	G	V	K	L
A	L	G	L	Y	D	H	Z	U	S	T	Q	W	M	N
T	A	F	F	O	R	X	O	C	H	H	N	I	H	Z
U	R	O	K	N	O	L	A	L	W	E	U	N	C	O
R	E	B	I	L	P	J	Q	E	O	R	I	D	Q	C
A	N	I	G	L	O	S	P	A	K	M	S	E	O	Z
L	E	O	E	M	W	C	C	R	E	A	F	N	O	R
G	R	M	N	C	E	G	I	E	Y	L	I	E	K	I
A	G	A	K	O	R	J	I	N	J	K	B	R	V	W
S	Y	S	J	A	G	H	S	E	F	G	D	G	T	I
N	W	S	C	L	H	G	E	R	W	S	X	Y	I	Y
I	H	E	W	H	C	A	V	G	Z	Y	C	J	E	K
Z	U	H	N	Y	X	D	F	Y	L	N	F	D	K	L

WORD SEARCH

- Nuclear energy
- Solar energy
- Natural gas
- Hydropower
- Geothermal
- Wind energy
- Coal
- Biomass
- Oil

COMMUNITY SPOTLIGHT: STURGEON BAY, WIS.

With a population of nearly 9,000, Sturgeon Bay is the largest city in Wisconsin's Door Peninsula. As the gateway to the popular tourist destination of Door County, Sturgeon Bay is located 125 miles north of Milwaukee, and spans the canal connecting the waters of Green Bay to the west and Lake Michigan to the east.

While Sturgeon Bay and the rest of Door County may be most known for its summer and fall tourist seasons, winter brings a calmer pace for residents and tourist alike. Whether its enjoying the many activities that a Wisconsin winter has to offer like

skating, cross country skiing, snowmobiling, sledding, snowshoeing (you get the idea), or taking part in one of the many outdoor events, Sturgeon Bay makes for a perfect winter getaway.

Sturgeon Bay Utilities is dedicated to doing its part to attract visitors while also supporting clean energy. The utility donated a level two EV charger to the City of Sturgeon Bay last summer. The charger's design allows two vehicles to use it at the same time. Since installation, it has resulted in the avoidance of 285 kg of



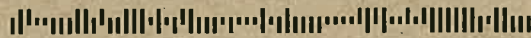
greenhouse gas emissions – the equivalent of planting seven trees and letting them grow for ten years!



Stoughton Utilities
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STOUGHTON UTILITIES
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STOUGHTON, WI 53589-0383

T3
512

STOUGHTON UTILITIES

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STOUGHTON, WI



Renewable report

READ THE RENEWABLE REPORT ONLINE

To receive this newsletter via email, contact us at RenewableReport@wppienergy.org. We also welcome your comments, questions or story ideas. Your e-mail address will be used solely for distribution of the *Renewable Report*.



Geothermal is a renewable resource used throughout the world.

It's been used for more than 2,000 years, first in China. Today, Iceland is the geothermal leader with 87% of its homes being heated using this resource.



CHINA



ICELAND



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

News Release

Stoughton Utilities

FOR IMMEDIATE RELEASE

February 22, 2021

Contact: Jill Weiss, Stoughton Utilities Director

Stoughton Utilities RoundUp Program Donates \$500 to Folks Wagons, Inc.

Stoughton Utilities recently donated \$500 to Folks Wagons, Inc. This donation is part of Stoughton Utilities' RoundUP program, a voluntary program that 'rounds up' customers' utility bills to the next whole dollar. All proceeds are distributed to local non-profit community organizations.

Folks Wagons donates cars and car maintenance to those in need in the Stoughton school district, helping to provide transportation to work, school, and doctor appointments. Since its founding in 2000, Folks Wagons has given away over 70 cars to people in need in the community.

Stoughton Utilities began its RoundUP program in 2006 as a way to further assist local non-profit organizations in our community. Over five percent of Stoughton Utilities customers have voluntarily chosen to participate in the program and are continuing the "neighbor helping neighbor" concept that founded Stoughton Utilities over a century ago.

Customers wishing to participate in the RoundUP program, or non-profit organizations requesting to be considered for future donations, may sign up online at stoughtonutilities.com/roundup, or by calling Stoughton Utilities customer service at (608) 873-3379.



Folks Wagons, Inc. staff - *Submitted Photo*

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News Release

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FOR IMMEDIATE RELEASE

February 22, 2021

Contact: Jill Weiss, Stoughton Utilities Director

Stoughton Utilities RoundUp Program Donates \$500 to Society of St. Vincent de Paul – St. Ann Conference.

Stoughton Utilities recently donated \$500 to Society of St. Vincent de Paul – St. Ann Conference. This donation is part of Stoughton Utilities' RoundUP program, a voluntary program that 'rounds up' customers' utility bills to the next whole dollar. All proceeds are distributed to local non-profit community organizations.

St. Vincent de Paul – St. Ann helps Stoughton residents who are having a difficult time paying rent and are in danger of eviction. They also assist with utility bills and medical needs, serving those in need to help strengthen the community.

Stoughton Utilities began its RoundUP program in 2006 as a way to further assist local non-profit organizations in our community. Over five percent of Stoughton Utilities customers have voluntarily chosen to participate in the program and are continuing the "neighbor helping neighbor" concept that founded Stoughton Utilities over a century ago.

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###

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Wisconsin Emergency Rental Assistance Program

What Kind of Help is Available?



Utility and Home Energy Payments



Rent Payments



Services to help you stay in your home

Eligible households may receive up to 12 months of assistance to help with current and/or overdue bills.

Does My Household Qualify?

Your household may qualify if at least one or more individuals in your home meet the following :

- 1) Qualifies for unemployment or has experienced a reduction in household income, experienced major costs, or experienced financial struggles due to COVID-19;
- 2) Demonstrates a risk of being evicted or losing your home; and,
- 3) Has a household income at or below 80 percent of the county median.



Want to Apply?

Information about the Wisconsin Emergency Rental Assistance Program, including how to apply for assistance, is available in two convenient ways:

Your Local Community Action Agency

Visit: wiscap.org/wera

Energy Services, Inc.

Call: 1-833-900-9372 or

Email: support@wera.help



Stoughton Utilities

600 South Fourth Street
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Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

News Release

Stoughton Utilities

FOR IMMEDIATE RELEASE

March 8, 2021

Contact: Jill Weiss, Stoughton Utilities Director

Stoughton Utilities Announces Lead Service Line Replacement Grant Award

Stoughton Utilities has secured grant funding through the Wisconsin Department of Natural Resources (DNR) that will help cover homeowner costs related to lead water service line replacement in 2021.

Approximately 580 homes in the City of Stoughton are currently served by a full or partial lead water service line. Lead exposure, including from drinking water, can cause serious health effects, especially to children and pregnant women.

Stoughton Utilities has worked with the Stoughton Utilities Committee and the Stoughton City Council to enact a new ordinance that declares lead service lines as a public nuisance and mandates the replacement of all public and privately-owned lead service lines.

Stoughton Utilities plans to use grant funding awarded by the DNR to replace 100% of the lead service lines in the city in 2021. Grant funding is anticipated to cover all homeowner costs associated with lead service line replacement. Galvanized steel water services are also grant eligible where the galvanized services line was downstream of lead water services lines.

Utility technicians are currently going door-to-door in older neighborhoods with homes constructed prior to 1960 to gather an accurate inventory of homes currently served by lead service lines. Service line verification requires technicians to access the property's basement where the service line enters the home. Technicians will perform a visual inspection to determine the service line material.

Verifications are conducted daily between the hours of 8:00 a.m. - 4:00 p.m. and typically take under 10 minutes. Technicians place a door hanger on customer front doors at least one day prior to the first attempted visit. Customers will be notified of their service line material at the time of verification and, when necessary, will be given the notification of public nuisance and replacement authorization forms allowing Stoughton Utilities to replace the lead service line. Homeowners should ensure that there are no obstructions on the path to or near the water meter so that technicians are able to easily access it.

Homeowners that have received a door hanger from Stoughton Utilities requesting access to their water meter should contact Stoughton Utilities to schedule an appointment as soon as possible to ensure they are included in the 2021 project and will have their costs covered by the grant funding.

Only those customers living in historic neighborhoods where there are known lead service lines are being contacted for service line verification. Customers in homes built after lead service lines were prohibited, or homes that have already been confirmed to not be served by a lead service line, will not be contacted.

Stoughton Utilities would like to stress the importance of getting all service line verifications complete and getting all customer authorization forms returned as soon as possible. Timely completion of this process will ensure that all affected customers are able to schedule their lead service line replacements in 2021 using grant funding.

“The DNR grant funding is an amazing opportunity for Stoughton homeowners that have old lead water service lines,” says Stoughton Utilities Director Jill Weiss. “We urge all homeowners that are contacted by Stoughton Utilities to respond quickly to our request to verify their service line material so we can locate all lead lines in Stoughton and provide these homes with new water service lines at no cost to the homeowner.”

Ms. Weiss continued, “A typical lead service line replacement can cost homeowners between \$3,000 and \$5,000 and this grant funding opportunity reduces that cost to \$0 for Stoughton homeowners, but we cannot guarantee grant funding will be available to all customers and funds are only available for 2021, so we ask customers for their prompt cooperation with our efforts.”

Stoughton Utilities Director Jill Weiss will be hosting a Facebook Live event on Monday, March 15 at 5:00 p.m. to provide more information about the lead service line replacement project and to answer questions from the community.

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Founded in 1886, Stoughton Utilities serves electric customers in Stoughton and the surrounding area; and wastewater and water customers in Stoughton.

2021 Citywide Lead Service Line Replacement Program

Some homes in the City of Stoughton built before 1960 still have lead water service lines, which can cause serious health issues. Stoughton Utilities has worked with the Stoughton Utilities Committee and the Stoughton City Council to enact a new ordinance that declares lead service lines as a public nuisance and mandates the replacement of all public and privately-owned lead service lines.

Grant funding

We are excited to announce that Stoughton Utilities has been awarded grant funding from the Wisconsin Department of Natural Resources (DNR) that will cover homeowner costs associated with lead service line replacement. Our goal is to use this grant funding to replace 100% of the lead service lines in the city prior to December 31, 2021.



Schedule

We anticipate that construction work will start in April. Homeowners that have private lead service lines are currently being _____ during our door-to-door

If you are not contacted by Stoughton Utilities, your home was either built after lead service lines were prohibited, or we have _____ that your home is not served by a lead service line.

All residents of the city may be impacted by this project as roads are temporarily narrowed or closed during the work day while the new service lines are connected to the water main under the street. We do not predict any overnight road closures or long-term detours.

Project updates

Join us on Facebook on Monday, March 15 at 5:00 p.m. as Utilities Director Jill Weiss goes live to provide more information on the project, available grant funding, and to answer questions from the community.

For ongoing project updates, please visit stoughtonutilities.com/construction. This page will be updated regularly with information about the lead replacement project and our progress towards completion.

For more information about lead and your drinking water or the lead service line replacement project, please visit stoughtonutilities.com/lead.

Renewable Energy Rider

Availability: Service under this rider is available to all customers currently served under ~~all r~~Rate Schedules ~~Rg-1, Rg-2, Gs-1, Gs-2, Cp-1, Cp-1 TOD, Cp-2, Cp-3, Ms-1, Ms-2, Ms-3 and Ms-4~~. This rider allows customers the option of purchasing blocks of their energy from renewable resources.

Application: Renewable energy will be sold only in blocks of 300 kWh per month. Customers choosing to be served under this rider will pay the Block Charge for Renewable Energy in addition to their regular monthly charges, including the Power Cost Adjustment Clause, under their current applicable Rrate Schedules ~~Rg-1, Rg-2, Gs-1, Gs-2, Cp-1, Cp-1 TOD, Cp-2, Cp-3, Ms-1, Ms-2, Ms-3 and Ms-4~~. All of the provisions ~~and charges~~ of the current applicable rate, including the Power Cost Adjustment Clause, will apply to the customer's total energy usage. The charge for renewable energy will be as stated below:

Block Charge for Renewable Energy

~~\$2.00~~ ~~\$3.00~~ per 300 kWh block of renewable energy per month for less than 20 blocks per month
\$1.00 per 300 kWh block of renewable energy per month for 20 or more blocks per month

Special Terms and Provisions

1. Service under this rider may be limited at the sole discretion of the utility, based on the expected amount of renewable energy available, average monthly energy usage of the customer, bill payment and collection histories.
- ~~1.2.~~ Aggregate sales are allowed only for multiple facilities owned by the same entity.
- ~~2.3.~~ The customer may sign up for the program at any time and service will become effective at the beginning of the next full billing period, at which point the customer will be charged for the total number of blocks purchased. The Block Charge for Renewable Energy will not be prorated in the billing period in which a customer signs up for service under this rider.
- ~~3.4.~~ If the customer uses less total energy than the number of blocks purchased in any given month, the customer will be charged for the total number of blocks purchased in that month.
- ~~4.5.~~ The customer may cancel their service under this rider at any time, however any change in service will only become effective at the beginning of the next full billing period. The Block Charge for Renewable Energy will not be prorated in the billing period in which the customer cancels.
- ~~5.6.~~ The utility shall have on file a copy of the latest Schedule for Renewable Energy Service from its wholesale supplier.

Industrial Renewable Energy Rider

This schedule is cancelled. All customers transferred to RER-1.

~~Availability: Service under this rider is available to all customers currently served under Rate Schedules Cp-1, Cp-1 TOD, Cp-2 and Cp-3. This rider allows customers the option of purchasing blocks of their energy from renewable resources.~~

~~Application: Renewable energy will be sold only in blocks of 300 kWh per month with a minimum of 100 blocks per month. Customers choosing to be served under this rider will pay the Block Charge for Renewable Energy in addition to their regular monthly charges. All of the provisions and charges of the current applicable rate, including the Power Cost Adjustment Clause, will apply to the customer's total energy usage. The charge for renewable energy will be as stated below:~~

~~Block Charge for Renewable Energy~~

~~\$2.00 per 300 kWh block of renewable energy per month~~

~~Special Terms and Provisions~~

- ~~1. _____ Service under this rider may be limited at the sole discretion of the utility, based on the expected amount of renewable energy available, average monthly energy usage of the customer, bill payment and collection histories.~~
- ~~2. The customer may sign up for the program at any time and service will become effective at the beginning of the next full billing period, at which point the customer will be charged for the total number of blocks purchased. The Block Charge for Renewable Energy will not be prorated in the billing period in which a customer signs up for service under this rider.~~
- ~~3. If the customer uses less total energy than the number of blocks purchased in any given month, the customer will be charged for the total number of blocks purchased in that month.~~
- ~~4. The customer may cancel their service under this rider at any time, however any change in service will only become effective at the beginning of the next full billing period. The Block Charge for Renewable Energy will not be prorated in the billing period in which the customer cancels.~~
- ~~5. The utility shall have on file a copy of the latest Schedule for Renewable Energy Service from its wholesale supplier.~~



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Status of the Utilities Committee Recommendation(s) to the Stoughton Common Council

The following items from prior Stoughton Utilities Committee Meeting(s) were presented to and/or acted upon by the Stoughton Common Council at their February 23, 2021 meeting:

Consent Agenda:

1. Minutes of the November 16, 2020 Regular Utilities Committee Meeting
2. Stoughton Utilities November Payments Due List Report
3. Stoughton Utilities December Payments Due List Report
4. Stoughton Utilities January Payments Due List Report
5. Stoughton Utilities October Financial Summary
6. Stoughton Utilities November Financial Summary
7. Stoughton Utilities October Statistical Report
8. Stoughton Utilities November Statistical Report
9. Stoughton Utilities December Statistical Report

Business:

1. First Reading: Ordinance to Create Sections 74-2 (h) and (i) of the City of Stoughton Code of Ordinances, Relating to the Replacement of Indirect Sanitary Sewer Service Lateral Connections

The following items from prior Stoughton Utilities Committee Meeting(s) were presented to and/or acted upon by the Stoughton Common Council at their March 9, 2021 meeting:

Business:

1. Second Reading: Ordinance to Create Sections 74-2 (h) and (i) of the City of Stoughton Code of Ordinances, Relating to the Replacement of Indirect Sanitary Sewer Service Lateral Connections



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Approval of the Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom

Stoughton Utilities maintains 17 remote facilities, including electric substation, water production wells and storage towers, and sanitary sewer treatment facilities and pumping stations. Each of these facilities contain numerous pieces of networked equipment that communicate with our operational control and security systems.

Our electric, water, and wastewater Supervisory Control and Data Acquisition (SCADA) systems allow the utility to operate efficiently 24 hours a day and seven days a week, using system automation to make system modifications to provide safe and reliable service to customers without the need for human interaction for route adjustments. In addition, systems are in place for access, intrusion detection, fire, and other security requirements.

The need for secure dedicated fiber optic communications has been known by the utility team for a while, but there have not been affordable options available to us to install such systems. Following the request by TDS Metrocom to obtain an easement from the utility for the placement of one of their master control nodes, we recognized an opportunity to work with them as they built out their citywide fiber optic system to obtain dedicated fiber optic communications (“dark fiber”). On June 9, 2020, staff brought the dark fiber concept to the Stoughton Utilities Committee to discuss the concept and determine the feasibility of moving forward with discussions. Funds were allocated towards the dark fiber build in the Stoughton Utilities 2021 Budget and Five Year (2021 – 2025) Capital Improvement Projects (CIP) Plan.

After many months of discussing the possibility of such a system to connect all Stoughton Utilities remote facilities, we came to an agreement that meets the needs of both parties. Stoughton Utilities staff has been working diligently to facilitate and expedite the buildout of the new fiber optic communications network, including the pole replacement work to make our distribution system ready for the new communications attachments. In recognition of our efforts, TDS Metrocom has agreed to provide Stoughton Utilities with dedicated, unlit strands of fiber optic cable to all Stoughton Utilities facilities for a negotiated, reduced up-front cost that would not be obtainable if Stoughton Utilities were to complete a similar installation on our own, or if we were lease the facilities as a commercial customer.

The attached Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom is the result of many months of negotiation, fiber optic network review, site visits, and contract creation and review.

We are requesting that the Stoughton Utilities Committee approve the Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom, and recommend approval of the agreement to the Stoughton Common Council.

FIBER OPTIC AGREEMENT AND GRANT OF IRU

THIS AGREEMENT (“**Agreement**”) is effective as of the date of the last signature below and is made by and between TDS Metrocom, LLC, a Delaware limited liability company, having an office located at 525 Junction Road, Suite 6000, Madison, Wisconsin 53717 (“**TDS**”) and the City of Stoughton, Wisconsin, operating in its capacity as a municipal electric utility, having a place of business at 600 South 4th Street, Stoughton, WI 53589 (“**Stoughton Utilities**” or “**SU**”), each referred to as a “**Party**” or jointly referred to as the “**Parties**.”

BACKGROUND

- A. TDS owns, operates, and maintains an optical fiber communication transmission system in the City of Stoughton (collectively, “**TDS’s Fiber System**”).
- B. The Parties have agreed that SU shall retain a perpetual right to use four (4) fibers in the TDS Fiber System to connect SU buildings and other SU facilities, and not for the provision of internet access or resale in any manner. A map of the interconnection points contemplated by this Agreement is included as **Attachment A**.
- C. TDS and SU desire to enter into an agreement governing SU’s right to use these fibers, upon all the terms and conditions set forth below.

In consideration of their mutual promises, the Parties agree as follows:

ARTICLE 1: DEFINITIONS

The following terms are used in this Agreement:

- 1.1 “**Acceptance**” means SU’s issuance of an Acceptance Notice or deemed acceptance of a Segment and/or entire route given by SU pursuant to Article 5 of this Agreement after the SU IRU Fibers have been tested and found acceptable.
- 1.2 “**Acceptance Notice**” means the notice of acceptance or deemed acceptance of a Segment and/or entire route given to TDS by SU pursuant to this Agreement.
- 1.3 “**Dark Fiber**” means Fiber between two specified locations that has no optronics or electronics attached to it.
- 1.4 “**Fiber**” means one or more glass strands that are protected by a color-coded buffer tube and that are used to transmit a communication signal along the glass strand in the form of pulses of light.
- 1.5 “**Fiber Optic Cable**” or “**Cable**” means a collection of Fibers contained in color-coded buffer tubes with a protective outer covering, which covering includes stiffening rods and filler.

- 1.6 “**Indefeasible Right of Use**” or “**IRU**” is an exclusive and irrevocable right, for the term of this Agreement as set out in Article 3, to use the SU IRU Fibers, provided, however, that granting of such IRU does not convey legal title to the Fibers.
- 1.7 “**Initial Segments**” means each Segment identified on **Exhibit A-1**.
- 1.8 “**IRU Effective Date**” means the date of Acceptance for a completed Segment.
- 1.9 “**Proportionate Share**” means the percentage determined by dividing the number of SU IRU Fibers in the TDS Cable by the total number of Fibers in the same TDS Cable.
- 1.10 “**Rejection Notice**” means the notice of rejection of a Segment and/or entire route given to TDS by SU pursuant to this Agreement.
- 1.11 “**Rights-of-Way**” or “**Rights**” see Article 13 for definition.
- 1.12 “**Segments**” are portions of Cable routes specified in **Exhibit A-1** of this Agreement (as amended or supplemented from time to time), which are capable of being tested and accepted.
- 1.13 “**SU IRU Fibers**” are the Dark Fibers in the TDS Cable as to which SU obtains an IRU pursuant to this Agreement.
- 1.14 “**TDS Cable**” means a Cable containing one or more Dark Fibers owned by TDS and in which SU has an IRU pursuant to the terms of this Agreement.

ARTICLE 2: FIBER OPTIC AGREEMENT

- 2.1 Subject to the terms and conditions of this Agreement, TDS grants SU an IRU in up to four (4) Dark Fibers in the TDS Cables as specifically described in **Exhibit A-1**. The IRU includes a non-exclusive right to use tangible and intangible property owned by TDS in order to use the SU IRU Fibers, including but not limited to cable sheathing, troughing, pedestals, slack containers, and related equipment necessary for the operation and use of the SU IRU Fibers as contemplated herein, but excluding any electronic or optronic equipment, which shall be provided by SU at its sole cost. The purpose of the SU IRU Fibers is to enable SU to connect the SU sites shown on **Attachment A** via the Initial Segments. SU shall be entitled to use the SU IRU Fibers solely to connect SU buildings and other SU facilities and not to serve any other third party.
- 2.2 From time to time after execution of this Agreement, additional Segments may be incorporated into this Agreement by both parties executing a supplemental exhibit in the form of **Exhibit A-x** of this Agreement (“**Additional Segments**”). For all Additional Segments in which an IRU is granted to SU, the separate **Exhibit A-x**, executed by both parties, will be attached hereto and titled so as to identify this Agreement, the Additional Segment(s) affected, the resulting IRU fee, if any, and any other material terms and conditions relating to the Additional Segment(s). Any provision relating to the affected Additional Segment contained in a supplemental **Exhibit A-x** that is more specific than a

comparable or contrary provision contained in this Agreement shall control with respect to that Additional Segment. Upon Acceptance of the Additional Segment set forth in a supplemental **Exhibit A-x**, SU shall acquire an IRU for the SU IRU Fibers specified in the supplemental **Exhibit A-x**. In the event that this Agreement is terminated with respect to the Initial Segments, the Agreement shall continue as necessary with respect to any Additional Segments.

- 2.3 This Agreement does not obligate TDS to supply to SU any optical or electrical equipment or other facilities, including without limitation, local distribution facilities, collocation space, regeneration facilities, generators, batteries, air conditioners, fire protection equipment, monitoring equipment, and testing equipment, all of which are the sole responsibility of SU.

ARTICLE 3: IRU EFFECTIVE DATE AND TERM

- 3.1 SU will be entitled to use the SU IRU Fibers upon Acceptance of an Initial Segment containing those Fibers. The initial IRU term for all Initial Segments shall start on the Acceptance date of the first Initial Segment to be constructed and accepted and shall terminate after twenty (20) years (“**Initial IRU Term**”). For the sake of clarity, all Initial Segments shall have the same Initial IRU Term. Provided that SU is not then in default under this Agreement, the IRU term shall automatically renew for four (4) consecutive terms of five (5) years each (each a “**Renewal Term**”), unless either Party shall give notice to the other of its intention not to renew 180 days before the end of the Initial IRU Term or any Renewal Term, in which case the IRU term and this Agreement with respect to the Initial Segments shall terminate at the end of the term in which notice was given. However, if at the end of the Initial IRU Term, TDS abandons the Cable entirely, SU will have the right to take possession of and maintain the SU IRU Fiber assets without any cost to SU. Moreover, should TDS desire to replace the SU IRU Fibers at any time during the Initial IRU Term or any Renewal Term, this Agreement will continue with respect to the replaced SU IRU Fibers on the same terms and conditions set forth herein.
- 3.2 Expiration or termination of this Agreement shall not affect the rights or obligations of any Party with respect to any payments of expenses incurred prior to the date of termination or pursuant to Article 10 (Taxes); Article 11 (Liability); and Article 13 (Permits and Required Rights).

ARTICLE 4: CONSIDERATION AND PAYMENT

- 4.1 As consideration for the provision of the SU IRU Fibers described in **Exhibit A-1**, SU shall make a one-time, non-recurring IRU fee payment to TDS in the amount specified in **Exhibit A-1** (“**Payment**”). TDS shall invoice SU for the Payment within 90 days of the full execution of this Agreement, which Payment SU shall make within thirty (30) days of SU’s receipt of TDS’s invoice. The invoice will show in detail TDS’s estimated actual cost of constructing the SU IRU Fibers described in **Exhibit A-1**. If the actual cost of construction is less than the Payment SU made, TDS shall refund the difference to SU within sixty (60) days after completion of construction.

- 4.2 For accounting, tax, and state regulatory purposes, SU shall be treated as the beneficial owner of the SU IRU Fibers.
- 4.3 TDS shall be responsible for splicing and testing to provide the SU IRU Fibers. After Acceptance, any cost for additional splicing and testing for SU to access the SU IRU Fibers will be billed to and paid by SU within thirty (30) days after receipt of TDS's invoice.
- 4.4 Within sixty (60) days of SU's Acceptance of the last of the Initial Segments, TDS shall invoice SU for the first annual maintenance fee as set forth in **Exhibit A-1**. SU shall pay such annual invoices within thirty (30) days after receipt of TDS's invoice.
- 4.5 It is understood and acknowledged that TDS shall be deemed the legal owner of the SU IRU Fibers.

ARTICLE 5: ACCEPTANCE AND DOCUMENTATION

- 5.1 The acceptance procedures set out in this Article 5 apply to each Segment containing the SU IRU Fibers once constructed and tested. At the completion of a Segment's construction, TDS shall provide SU the opportunity to perform, subject to the protocols of the Rights-of-Way agreements, a physical inspection of SU IRU Fibers and routes. In addition, TDS shall provide the acceptance test plan ("ATP") and test results for the SU IRU Fibers in accordance with the requirements of **Exhibit B**.
- 5.2 Within fourteen (14) days after receiving the ATP and test results for a completed Segment, SU shall have the option to inspect the SU IRU Fibers in that Segment in accordance with the **Exhibit B** acceptance tests. SU shall then provide TDS with either an "Acceptance Notice" or a "Rejection Notice" in the form attached as **Exhibit C**, with an explanation of how the SU IRU Fibers do not meet the specifications set out in **Exhibit B** in the case of a Rejection. TDS will cooperate with SU to provide additional Documentation (as defined below) that would reasonably allow SU to evaluate the acceptability of the SU IRU Fibers. In addition, SU shall be allowed, subject to the protocols of the Rights-of-Way agreements, to conduct its own tests, at SU's expense, to determine acceptability of the SU IRU Fibers. Issuance of an Acceptance Notice or failure to issue a Rejection Notice during the time period indicated above shall constitute Acceptance of the SU IRU Fibers by SU, but such Acceptance shall not invalidate the warranties described in this Agreement.
- 5.3 Should SU reject the SU IRU Fibers by providing a Rejection Notice within the applicable 14-day period ("Rejection"), TDS shall use commercially reasonable efforts, including retesting the SU IRU Fibers, to substantially cure the material defective conditions identified in the Rejection Notice within sixty (60) days and to ensure the SU IRU Fibers conform to the specifications in **Exhibit B**. The 60-day cure period shall be extended if the material defective conditions cannot be reasonably remedied within such time period and if TDS proceeds diligently to cure the material defective conditions after receipt of the Rejection Notice. Upon substantial cure, the additional SU IRU Fibers shall be deemed accepted by SU.

- 5.4 Any disputes as to Acceptance or Rejection of any SU IRU Fibers shall be resolved in accordance with Article 22.
- 5.5 Within ninety (90) days after Acceptance of any SU IRU Fibers, TDS shall provide general, non-proprietary documentation regarding the Cable, which shall consist of the following: (i) a route diagram that illustrates the location of the end, mid span splice, and mid span repeater locations; (ii) a summary of distances between such locations; (iii) the type of Cable construction between locations; and (iv) any geographical information deemed necessary to further clarify the route (“**Documentation**”). Documentation may be provided or obtained from a third party through which TDS has obtained an IRU.

ARTICLE 6: FRANCHISE/LICENSE/PERMIT FEES

- 6.1 Each Party will be responsible for the appropriate government filings, licenses, or other requirements to place its Fibers into operation, including, but not limited to, applicable municipal licenses and/or franchise agreements.
- 6.2 Pole attachment, permit, or easement fees or any other fees related to the construction of a Segment will be the responsibility of and paid for by TDS.

ARTICLE 7: MAINTENANCE AND REPAIR

- 7.1 TDS warrants that it will use commercially reasonable efforts to maintain the TDS Cables in accordance with prevailing telecommunications industry standards and with the standards contained in **Exhibit D**.
- 7.2 All routine maintenance and repair functions and emergency maintenance and repair functions, including “one-call” responses, and conduit locate services shall be performed by TDS or its designee for a period coterminous with the term of this Agreement at TDS’s expense, subject to reimbursement for emergency maintenance as provided below.
- 7.2.1 *Emergency Maintenance.* TDS shall respond to any failure, interruption, or impairment in the operation of the SU IRU Fibers within four (4) hours after receiving a report of any such failure, interruption, or impairment. TDS shall use commercially reasonable efforts to perform maintenance and repair to correct any failure, interruption or impairment in the operation of the SU IRU Fibers within eight (8) hours in accordance with the procedures set forth in **Exhibit D**. Except as contemplated in Section 7.3 below, SU shall not pay for any emergency maintenance. SU may assist with emergency maintenance if approved by TDS.
- 7.2.2 *Routine Maintenance.* TDS shall schedule and perform specific periodic maintenance and repair checks and services, as set forth in standards attached as **Exhibit D**. Additional maintenance can be performed from time to time on the SU IRU Fibers at TDS’s reasonable discretion or upon SU’s reasonable request with reasonable advance notice to TDS. The annual maintenance fee described in this Article 7 covers all routine maintenance.

- 7.3 SU will reimburse one hundred percent of all costs associated with damage to the SU IRU Fibers, or any Segment thereof, caused by the negligence or willful misconduct of SU, its employees, agents, or contractors.
- 7.4 TDS shall repair, at its sole expense and without reimbursement from SU, any damage to the SU IRU Fibers, or any Segment thereof, caused by neglect or willful misconduct of TDS, its affiliates, employees, contractors or agents.
- 7.5 TDS will, upon SU's request, perform maintenance, restoration, or relocation of fiber laterals outside of the right-of-way and shall charge SU on a time and materials basis.
- 7.6 TDS shall provide reasonable advance notice to SU of maintenance or repairs that may affect the SU IRU Fibers. SU shall have the right, subject to the protocols of the Right-of-Way agreements, to have a representative present any time maintenance or repairs are performed that may affect the SU IRU Fibers.

ARTICLE 8: SPLICING

- 8.1 It may be necessary to splice SU IRU Fibers into the TDS Cable. In order to maintain the integrity of the TDS Cable after Acceptance, TDS, or a contractor operating under TDS's direction, must perform all splicing performed on the TDS Cable.
- 8.2 For future expansion at existing splice points, TDS will perform the necessary splicing upon written or email request by SU. Normal requests for splicing shall be submitted at least thirty (30) business days prior to the requested splicing date, and expedited requests shall be submitted at least fifteen (15) business days prior to the requested splicing date. TDS shall obtain any and all permits necessary for such splicing. SU agrees that it will not perform any splicing or interfere in any manner with the TDS Cable.
- 8.3 After Acceptance, the cost of splicing Fibers into the TDS Cable will be borne by SU. The optical splice points for each route shall be mutually agreed upon in writing by the Parties. TDS shall provide SU with a splicing and splice testing schedule(s) so SU's representative may be present, subject to protocols of Rights-of-Way agreements. Splicing documentation (ATP and test results) will be provided by TDS within ninety (90) days after splicing is completed.
- 8.4 SU shall provide thirty (30) business days' written notification to TDS if a new splice point is needed after initial Acceptance of a Segment. Approval of new splice points will be at the sole discretion of TDS, and such approval shall not be unreasonably withheld.
- 8.5 All splicing will be performed by the fusion splicing method or by any other method that is mutually agreeable to the Parties.

ARTICLE 9: WARRANTIES

- 9.1 TDS represents and warrants, at the time of Acceptance, its constructed Cable(s) to be of good workmanship and materials, except any materials that are separately warranted by

the manufacturer, and further warrants the SU IRU Fibers to perform and operate in accordance with the manufacturer's specifications and industry standards.

- 9.2 TDS represents and warrants that all equipment and materials to be used in the construction of the SU IRU Fibers covered by this Agreement (other than those in TDS's Fiber System) will be new, of good quality, properly constructed and/or installed, free of defects, and in conformity with the requirements of this Agreement. Such warranty shall be effective, with respect to each specific Segment for the same period of warranty provided to TDS by its contractors (normally a one (1) year period from date of acceptance by TDS). All work not conforming to the standards may be considered defective by SU, and TDS shall immediately replace any damaged or defective work at its own expense. TDS shall use reasonable efforts to promptly repair or replace all such defective work, provided that TDS shall repair or replace such defective work within thirty (30) days following its confirmation of the defect, unless reasonable circumstances dictate a shorter or longer period, in which event the Parties shall in good faith mutually agree upon such period. All replaced defective equipment or items shall become the sole property of TDS.
- 9.3 SU's sole and exclusive remedy and TDS's sole and exclusive maximum liability under the warranties contained in this Article 9 shall be, at the sole option of TDS, to repair (with new or functionally operative parts) or replace any defective portion of the TDS Cable of which TDS receives notice during the warranty period, provided that TDS is promptly notified in writing upon discovery by SU that any portion of the SU IRU Fibers has failed to conform with the terms of this Agreement, such writing to include an explanation of alleged defects.
- 9.4 In addition to the foregoing warranties, TDS hereby assigns to SU, and SU shall have the benefit of, any and all contractors' and suppliers' warranties with respect to the TDS Cable and material contained therein.
- 9.5 TDS's warranty does not extend to defects caused by acts of nature, accident, fire or other hazard, nor resulting from SU's, its designees' or third Parties' misuse, neglect, alterations, storage, attempts to repair, or use of other supplies not meeting specifications.
- 9.6 THE FOREGOING WARRANTIES AND REMEDIES CONSTITUTE THE ONLY WARRANTIES WITH RESPECT TO THE TDS CABLE AND ARE EXCLUSIVE REMEDIES IN THE EVENT OF BREACH OF SUCH WARRANTIES. SUCH WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER PARTY SHALL IN ANY EVENT BE LIABLE FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES OF ANY NATURE WHATSOEVER FOR ANY REASON.

ARTICLE 10: TAXES

- 10.1 As used in this Article 10, “**Tax**” shall mean any tax, assessment, charge, or levy imposed by any authority having the power to tax, including any city, county, state, or federal government or quasi-governmental agency or taxing authority.
- 10.2 Upon SU’s Acceptance of the SU IRU Fibers, it shall be responsible for any and all sales, use, income, gross receipts, or other Tax assessed on the basis of SU’s use of the SU IRU Fibers. Upon SU’s Acceptance of the SU IRU Fibers, it shall be solely responsible for any real or personal property Taxes relating in any way to the SU IRU Fibers, and SU shall reimburse TDS for SU’s Proportionate Share of any such Tax TDS is assessed and pays. The Parties shall cooperate to minimize adverse tax consequences and may mutually amend this Agreement to improve their respective tax positions.

ARTICLE 11: LIABILITY

- 11.1 Each Party shall be responsible its own acts, errors, or omissions and for the acts, errors, or omissions of its employees, officers, officials, agents, boards, committees, and commissions, and shall be responsible for any losses, claims, and liabilities (including providing its own defense) that are attributable to such acts, errors, or omissions arising out of this Agreement. In situations involving joint liability, each Party shall only be responsible for such losses, claims, and liabilities that are attributable to its own acts, errors, or omissions and the acts, errors or omissions of its employees, officers, officials, agents, boards, committees, and commissions.
- 11.2 Neither Party shall be liable to the other for any indirect, special, punitive, or consequential damages (including, but not limited to, any claim for loss of services) arising under this Agreement or from any breach or partial breach of the provisions of this Agreement or arising out of any act or omission of either Party, its departments, elected officials, board members, commissioners, directors, officers, employees, servants, contractors, and/or agents.
- 11.3 No provision of this Agreement is intended, or shall be construed, to be a waiver for any purpose by SU of any provision of Wis. Stat. § 893.80 or § 345.05 or any other notice requirements, governmental immunities, or damages limitations that may apply to SU or any of its utilities, departments, employees, officers, elected officials, board members, commissioners, or agents.
- 11.4 Nothing contained herein shall operate as a limitation on the right of either Party to bring an action for damages, including consequential damages, against any third party based on any acts or omissions of such third party as such acts or omissions may affect the operation or use of the TDS Cable or any SU IRU Fibers; provided, however, that each Party shall assign such rights or claims, execute such documents and do whatever else may be reasonably necessary to enable the injured Party to pursue any such action against such third party.

ARTICLE 12: FORCE MAJEURE

12.1 The obligations of the Parties (except for the payment of money hereunder) are subject to force majeure, and neither Party shall be in default under this Agreement if any failure or delay in performance is caused by strike or other labor dispute; accidents; acts of God; fire; flood; earthquake; lightning; unusually severe weather; material or facility shortages or unavailability not resulting from such Party's failure to timely place orders therefor; lack of transportation; legal inability to access property; acts of any governmental authority; government codes, ordinances, laws, rules, and regulations or restrictions (collectively "**Regulations**") (but not to the extent the delay caused by such could be avoided by rerouting the Cable if such a reroute was commercially reasonable); condemnation or the exercise of rights of eminent domain; war or civil disorder; or any other cause beyond the reasonable control of either Party. The excused Party shall use reasonable efforts under the circumstances to avoid or remove such causes of non-performance and shall proceed to perform with reasonable dispatch whenever such causes are removed or ceased. Notification shall be given by the excused Party of the cause and of the estimated duration of the delay, when possible.

ARTICLE 13: PERMITS AND REQUIRED RIGHTS-OF-WAY

13.1 TDS shall obtain, on or before Acceptance with respect to each Segment to be added hereunder, any and all right-of-way agreements, easements, licenses, rights, or other agreement necessary for the use of poles, conduit, cable, wire, physical plant facilities, and/or access to real property underlying the TDS Cable ("**Rights-of-Way**" or "**Rights**"). Further, as of Acceptance, TDS shall obtain any and all rights, licenses, franchises, authorizations, agreements, permits, and approvals (including without limitation, any necessary local, state, federal or tribal authorizations and environmental permits) and collectively referred to as "**Permits**," that are necessary for the operation of the TDS Cable. TDS shall obtain all Rights and Permits in the name of TDS.

13.2 It is expressly understood that TDS's and SU's obligations under this Agreement are conditioned upon and shall in all respects be subject to the continuation or acquisition of such Rights and Permits. TDS shall use its best efforts to obtain or to cause such Rights and Permits to remain effective throughout the duration of this Agreement, and any extension thereof. Copies of any and all agreements with respect to Rights and Permits shall be made available to the other Party upon request. If confidentiality obligations under such agreements preclude provision of the entire document, summaries of the substantive provisions thereof will be provided. In the event TDS is unable to resolve any issue with respect to its Rights or Permits in a manner reasonably acceptable to SU, SU may, after providing TDS thirty (30) days prior written notice, attempt to resolve the issue directly with the grantor of such Rights.

ARTICLE 14: RELOCATION OF CABLE

14.1 If TDS is required to relocate or replace the TDS's Cable (shown on **Attachment A** in red) or any of the appurtenant facilities used or required in providing the SU IRU Fibers, and the gross cost (excluding reimbursements) of TDS's relocation or replacement exceeds \$10,000 per occurrence, then, so long as such work is not necessitated by a

breach of TDS's obligations, SU shall reimburse TDS for SU's Proportionate Share of such relocation or replacement costs in excess of \$10,000, including, without limitation, placement or relocation labor, fiber acquisition, splicing, and testing. In the event that a third party reimbursed TDS for all or a portion of the cost to perform such relocation work, then this reimbursement amount shall reduce on a dollar-for-dollar basis the aggregate amount of costs deemed to have been spent by TDS. TDS shall deliver to SU updated as-built drawings and Documentation with respect to any relocated portion of the Cable not later than ninety (90) days following such relocation.

- 14.2 If TDS is required to relocate the TDS Cable or any of the appurtenant facilities used or required in providing the SU IRU Fibers in any of the utility-specific Segments that would not have been built but for the SU's request (shown on Attachment A in blue), SU shall reimburse TDS for all relocation costs TDS incurs if, at the time of the relocation, SU is the only user of the specific Segment. If however, at the time of relocation, SU is not the only user of the specific Segment, SU shall pay its Proportionate Share of any relocation costs in excess of \$10,000, including, without limitation, placement or relocation labor, fiber acquisition, splicing, and testing. In the event that a third party reimbursed TDS for all or a portion of the cost to perform such relocation work, this reimbursement amount shall reduce on a dollar-for-dollar basis the aggregate amount of costs deemed to have been spent by TDS. TDS shall deliver to SU updated as-built drawings and Documentation with respect to any relocated portion of the Cable not later than ninety (90) days following such relocation.
- 14.3 TDS shall give SU sixty (60) days' prior notice of any such relocation, if possible, and shall have the obligation to proceed with such relocation, including, but not limited to, the right to determine the extent of, the timing of, and methods to use for such relocation; provided that any such relocated Cable and Fibers shall be constructed and tested in accordance with the specifications and requirements set forth in this Agreement. Acceptance of the relocated SU IRU Fibers shall be in accordance with Article 5 of this Agreement. In addition, TDS shall use reasonable efforts to ensure relocation shall not result in an adverse change to the operations, performance, or connection points with SU's facilities, or end points of the applicable Cable.
- 14.4 SU has the right to review TDS's relocation plans (14) days prior to any relocation and has the right to have, subject to the protocols of the Rights-of-Way agreements, a representative present at the time TDS relocates the Cable that contains the SU IRU Fibers.

ARTICLE 15: CONDEMNATION

- 15.1 In the event any portion of the TDS Cable or the Rights-of-Way in or upon which it has been installed, become the subject of a condemnation proceeding by any governmental agency or other party cloaked with the power of eminent domain for public purpose or use, then and in such event, it is agreed that TDS shall be entitled to pursue an award in such proceedings and shall be solely entitled to any award arising therefrom.
- 15.2 Upon its receipt of a formal notice of condemnation or taking, TDS shall notify SU immediately of any condemnation proceeding filed against the TDS Cable, including the

SU IRU Fibers, or the Rights-of-Way in or upon which the SU IRU Fibers have been installed. TDS shall also notify SU of any similar threatened condemnation proceeding and agrees not to sell the Cable or release Rights-of-Way to such acquiring agency, authority or other party in lieu of condemnation without the prior written consent of SU, which consent shall not be unreasonably conditioned, delayed, or denied.

- 15.3 It is expressly recognized and understood by SU that relocation costs resulting from any such condemnation proceeding may not be reimbursed by the condemning authority and SU shall pay its Proportionate Share of all costs associated with the relocation of the SU IRU Fibers in excess of such costs which were reimbursed by the condemning authority.

ARTICLE 16: ABANDONMENT

- 16.1 Should SU decide to abandon all or part of the SU IRU Fibers, it may do so by informing TDS in writing, such abandonment being made at no cost to either Party. SU shall remove its equipment and electronics within thirty (30) days of such notification of abandonment by SU, failing which TDS may remove same at SU's cost payable within thirty (30) days of SU's receipt of an invoice therefor. At the time of abandonment, SU shall have no further rights or obligations with respect to the SU IRU Fibers, except as specifically set forth in this Agreement.

ARTICLE 17: DEFAULT

- 17.1 Neither Party shall be in default under this Agreement unless and until the other Party shall have given the defaulting Party written notice of such default and the defaulting Party shall have failed to cure the default within thirty (30) days after receipt of such notice; provided, however, that where a default cannot be reasonably cured within the 30-day period and where the defaulting Party shall promptly proceed to cure the default with due diligence, the time for curing the default shall be extended for a period of up to ninety (90) days from the date of receipt of the default notice.
- 17.2 Upon the failure of the defaulting Party to timely cure any default after notice thereof from the non-defaulting Party, the non-defaulting Party may take any action it determines, in its reasonable discretion, to be necessary to correct the default, and/or pursue any legal remedies it may have under applicable law or principles of equity relating to the breach.
- 17.3 The Parties acknowledge and agree that irreparable damage may occur in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached. It is accordingly agreed that each Party shall be entitled to seek injunctive or similar preliminary relief to prevent breaches or cure defaults of the provisions of this Agreement by the other and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which the Party may be entitled by law or equity.

ARTICLE 18: NOTICES

18.1 Unless otherwise provided herein, all notices and communications concerning this Agreement shall be in writing and addressed as follows:

If to TDS:
TDS Metrocom, LLC
Attention: Vice President Field Services
525 Junction Road
Madison, WI 53717

WITH A COPY TO:
TDS TELECOMMUNICATIONS LLC
525 Junction Road
Madison, WI 53717
Attention: Legal Department

WITH A COPY TO:
Sidley Austin
Attn: Stephen P. Fitzell
One South Dearborn
Chicago, IL 60603

If to Stoughton Utilities:
Utility Director
Stoughton Utilities
600 South Fourth Street
Stoughton, WI 53589

WITH A COPY TO:
Anita T. Gallucci
Boardman & Clark LLP
1 South Pinckney Street
P.O. Box 0927
Madison, WI 53701-0927

18.2 Unless otherwise provided herein, notices shall be sent by certified U.S. Mail, return receipt requested, or by commercial overnight delivery service which provides acknowledgement of delivery, and shall be deemed delivered: if sent by U.S. Mail, five (5) days after deposit; if sent by commercial overnight delivery service, upon verification of receipt.

ARTICLE 19: ASSIGNMENT, SUCCESSION

19.1 SU shall not assign this Agreement to any other party without the prior written consent of TDS.

- 19.2 Except as provided in this Article 19, TDS shall not assign this Agreement to any other party without the prior written consent of SU, provided, however, that without such consent, TDS shall have the right to assign or otherwise transfer this Agreement, in whole or in part, to any parent, subsidiary, or affiliate of TDS or to any person, firm or corporation which shall control, be under the control of, or be under common control with TDS, or any corporation or entity into which TDS, or a subsidiary of TDS, may be merged or consolidated or which purchases all or substantially all of the assets of TDS or a subsidiary of TDS.
- 19.3 Subject to the provisions of this Article 19, each of the Parties' respective rights and obligations hereunder shall be binding upon and shall inure to the benefit of the Parties and each of their respective permitted successors and assigns.

ARTICLE 20: GOVERNING LAW

- 20.1 This Agreement shall be interpreted and construed in accordance with the laws of the state of Wisconsin, without regard to its conflict of laws principles.

ARTICLE 21: INDEPENDENT CONTRACTOR

- 21.1 The performance by TDS and/or SU of all duties and obligations under this Agreement shall be as independent contractors and not as agents of the other Party, and no persons employed or utilized by a performing Party shall be considered the employees or agents of the other. Neither Party shall have the authority to enter into any agreement purporting to bind the other without its specific written authorization. The Parties agree that this Agreement does not create a partnership between, or a joint venture of, TDS and SU.

ARTICLE 22: DISPUTE RESOLUTION

- 22.1 It is the intent of SU and TDS that any disputes which may arise between them, or between the employees of each of them, be resolved as quickly as possible. Quick resolution may, in certain circumstances, involve immediate decisions made by the Parties' representatives. For that purpose, TDS and SU shall each designate, by separate letter, representatives as points of contact and decision making with respect to the obligations and rights of the Parties, such letters to be furnished by each Party to the other within thirty (30) days from the date of the last signature on this Agreement. Any disputed issues arising during the term of this Agreement shall in all instances be initially referred to the Parties' designated representatives. The Parties' designated representatives shall use reasonable efforts to reach a mutually agreeable resolution of the disputed issue, in writing, within two (2) weeks of such referral, or whatever longer or shorter period to which the Parties may agree. Either Party may modify the designated representative upon written notice to the other Party.
- 22.2 In the event the Parties' representatives are unable to resolve any claims or disputes arising under this Agreement within the applicable time period, either Party is free to pursue any remedies available to it in law or equity.

ARTICLE 23: LIENS

- 23.1 In the event the SU IRU Fibers become subject to any mechanics', artisans', or materialmen's lien, or other encumbrance chargeable to or through TDS that interferes with the SU IRU Fibers or jeopardizes SU's use of the SU IRU Fibers, TDS shall promptly cause such lien or encumbrance to be discharged and released of record (by payment, posting of bond, court deposit, or other means) without cost to SU and shall indemnify SU against all costs and expenses (including attorney's fees) incurred in discharging and releasing such lien or encumbrance; provided, however, that if any such lien or encumbrance is not so discharged and released within thirty (30) days after written notice by SU to TDS, then SU may pay or secure the release or discharge thereof at the expense of TDS. TDS shall reimburse SU for such payments within thirty (30) days of its receipt of an invoice therefor.
- 23.2 TDS agrees and acknowledges that it has no right to use any of the SU IRU Fibers included in the TDS Cable. TDS shall obtain from any entity in favor of which TDS, in its discretion, grants after the date of this Agreement a security interest or lien on all or part of the TDS Cable, a written nondisturbance and subordination agreement in form and substance reasonably satisfactory to SU. The nondisturbance and subordination agreement shall be written to the effect that such lienholder acknowledges SU's interest and rights in the SU IRU Fibers and the IRU granted by this Agreement and agrees that the same shall not be diminished, disturbed, impaired, or interfered with in any adverse respect by such lienholder.
- 23.3 SU agrees and acknowledges that it has no right to use any of the Fibers, other than the SU IRU Fibers, included in the TDS Cable or otherwise incorporated in TDS's Fiber System and that SU shall keep any and all of TDS's Fiber System free from any liens, rights, or claims of any third party attributable to SU.

ARTICLE 24: MISCELLANEOUS

- 24.1 The headings contained in this Agreement are strictly for convenience and shall not in any way be construed as amplifying or limiting any of the terms, provisions, or conditions of this Agreement.
- 24.2 In construction of this Agreement, words used in the singular shall include the plural and the plural the singular, and "or" is used in the inclusive sense, in all cases where such meanings would be appropriate.
- 24.3 No provision of this Agreement shall be interpreted to require any unlawful action by either Party. If any section or clause of this Agreement is held to be invalid or unenforceable, then the meaning of that section or clause shall be construed so as to render it enforceable to the extent feasible. If no feasible interpretation would save the section or clause, it shall be severed from this Agreement with respect to the matter in question, and the remainder of the Agreement shall remain in full force and effect. However, in the event such a section or clause is an essential element of the Agreement, the Parties shall promptly negotiate a replacement section or clause that will achieve the intent of such unenforceable section or clause to the extent permitted by law.

- 24.4 This Agreement may be amended only by a written instrument executed by the Party against whom enforcement of the modification is sought.
- 24.5 No failure to exercise and no delay in exercising, on the part of either Party, any right, power, or privilege hereunder shall operate as a waiver thereof, except as expressly provided in this Agreement. Any waiver by either Party of a breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless and until agreed to in writing by both Parties.
- 24.6 In the event of a conflict between the provisions of this Agreement and those of **Exhibit A-1**, the provisions of **Exhibit A-1** shall prevail and the Agreement will be corrected accordingly. If there is a conflict or difference between this Agreement and other exhibits, this Agreement shall prevail.
- 24.7 This Agreement has been fully negotiated between and jointly drafted by the Parties.
- 24.8 All actions, activities, consents, approvals, and other undertakings of the Parties in this Agreement shall be performed in a reasonable and timely manner.
- 24.9 Unless expressly defined herein, words having well known technical or trade meanings shall be so construed.

ARTICLE 25: COUNTERPARTS

- 25.1 This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

ARTICLE 26: ENTIRE AGREEMENT

- 26.1 This Agreement, and any exhibits or attachments referenced in and attached hereto or to be attached hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede any and all prior negotiations, understandings and agreements with respect hereto, whether oral or written. For the sake of clarity, the exhibits and attachments hereto are incorporated into and form part of this Agreement.

[SIGNATURE PAGE FOLLOWS]

**City of Stoughton, Wisconsin,
acting through Stoughton
Utilities**

TDS Metrocom, LLC

Signed: _____

Signed: _____

By: Jill Weiss

By: _____

Its: Utility Director

Its: Vice President of Field Services

Date: _____

Date: _____

ATTACHMENTS/EXHIBITS:

Attachment A: Stoughton Utility Locations - Ring

Exhibit A-1: SU IRU Fibers in TDS Cable: Description of Initial Segments

Exhibit B: Acceptance Test Plan

Exhibit C: Form of Acceptance/Rejection Notice

Exhibit D: Maintenance and Repair Procedures

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ATTACHMENT A

CONFIDENTIAL
Not For Public Disclosure

EXHIBIT A-1

SU IRU FIBERS IN TDS CABLE: DESCRIPTION OF INITIAL SEGMENTS

Segment/ D #	FROM	TO	ROUTE LENGTH IN FEET	# FIBER STRANDS
1	Administration Office - 600 S 4th St	Well #5 - 1320 South St	7,037'	4
2	Well #5 - 1320 South St	Well #7 - 2001 Roby Rd	13,538'	4
3	Well #7 - 2001 Roby Rd	Tower II - 1430 Furseth Rd	3024'	4
4	Tower II - 1430 Furseth Rd	Well #4 - 921 N Van Buren St	4,304'	4
5	Well #4 - 921 N Van Buren St	Tower III - 1273 Racetrack Rd	14,794'	4
6	Tower III - 1273 Racetrack Rd	Well #6 - 1215 E Academy St	5,036'	4
7	Well #6 - 1215 E Academy St	Wastewater Facility - 700 Mandt Pkwy	7,785'	4
8	Wastewater Facility - 700 Mandt Pkwy	Administration Office - 600 S 4th St	2,858'	4
9	West Substation - 3221 McComb Rd	Well #5 - 1320 South St	7,743'	2
10	North Substation - 302 County Hwy B	Well #4 - 921 N Van Buren St	7,964'	2
11	East Substation - 1200 E South St	Well #6 - 1215 E Academy St	2,078'	2
12	South Substation - 1067 Taylor Ln	Administration Office - 600 S 4th St	5,744'	2
13	Nordic Ridge Lift Station - 2015 Korgen Dr	Well #5 - 1320 South St	5,688'	2
14	Oakridge Lift Station - 1608 Oakridge Way	Well #7 - 2001 Roby Rd	3,620'	2
15	Vennevoll Lift Station - 501 Amundson Pkwy	Tower III - 1273 Racetrack Rd	6,832'	2
16	Eastwood Lift Station - 1701 Eastwood Dr	Tower III - 1273 Racetrack Rd	4,580'	2
17	Stonecrest Lift Station - 816 Haskell Ct	Tower III - 1273 Racetrack Rd	3,241'	2
18	Eight Street Lift Station - 624 S 8th St	Administration Office - 600 S 4th St	2,316'	2

Total Footage = 108,182

Estimated Completion Date: October 1, 2021

Initial Term: 20 years beginning on the IRU Effective Date (see Article 3 of the Agreement)

Number of SU IRU Fibers per Segment: 2 to 4 (as indicated above)

IRU Fee Payment: One-time payment of up to \$180,000 or actual cost of construction, whichever is less (see Section 1.4 of the Agreement)

Annual Rights-of-Way Fees: None.

Annual Maintenance Fee: \$8,000 (see Section 4.4 of the Agreement)

**City of Stoughton, acting through
Stoughton Utilities**

TDS Metrocom, LLC

Signed: _____

Signed: _____

By: Jill Weiss

By: _____

Its: Utility Director

Its: Vice President of Field Services

Date: _____

Date: _____

EXHIBIT B

ACCEPTANCE TEST PLAN

1.0 TDS will prepare and provide SU with an Acceptance Test Plan (“ATP”), prior to conducting actual field tests of the SU IRU Fibers.

2.0 Testing will include, but not be limited to, the following:

- (a) Bi-directional OTDR tests for 1550nm wavelength
Acceptance criteria: bi-directional splice test average not-to-exceed 0.15 dB with no single direction test greater than 0.25 dB
- (b) Span tests with a power meter at 1550 nm wavelength
Acceptance criteria: The span test shall not exceed the following calculated loss for any given span:

$$(0.3 \text{ dB/km})(d) + (0.15 \text{ dB})(n) = \text{Total Allowable Span Attenuation Loss}$$

d = Fiber distance in kilometers

n = total number of splices in the span, including pigtails

3.0 TDS will submit a tentative schedule for the ATP to SU at least thirty (30) days prior to completion of construction and installation of any Cable which contains SU IRU Fibers. The ATP will be performed on the entire Cable Segment upon completion of construction and installation.

4.0 SU shall have the option to have one or more representatives present to observe the testing undertaken by TDS as part of the ATP.

EXHIBIT C

FORM OF ACCEPTANCE/REJECTION NOTICE

Check one box:

Fiber Accepted (fill in acceptance statement below):

Pursuant to Article 5 of the Fiber Optic Agreement and Grant of IRU between City of Stoughton, Wisconsin (“SU”) and TDS Metrocom LLC, (“TDS”) dated March ____, 2021, delivery of ____ (__) Fibers was made by TDS to SU for the following Segment(s) listed on **Exhibit A-__**: Segment ID Numbers: _____.

Fiber Rejected (fill in reason statement below):

Reason for Rejection:

Signature: _____

Name: _____

Title: _____

City of Stoughton, Wisconsin,
acting through Stoughton Utilities

Date: _____

EXHIBIT D

MAINTENANCE AND REPAIR PROCEDURES

1.0 TROUBLE REPORTING

Prior to calling a trouble ticket, the SU must first:

- Verify electric power to each site
- Verify power to the individual equipment (optical switch) at each site for the link in question (power cord, power supply, battery backup / UPS Rack Power Distribution Unit) if applicable
- Visually verify the link is actually down (no link light on SFP's / optics)
- Properly clean fiber optic connectors and ports by utilizing appropriate fiber optic connector/port cleaning tools
- Reseat the associated fiber optic jumper connectors and fiber optic ports on either end of the circuit to try and re-establish the link
- Reseat SFP optics / swap SFP optics with new spare SFP's on either end of the circuit to verify that it's not a failed customer-owned SFP
- Verify the switch ports configuration through Command Line Interface (CLI)
- Determine if switch ports are Up/Down or Down/Down. If Down/Down, re-enable the switch port using the CLI

Upon TDS's Network Management Center receiving a trouble report from SU, TDS will dispatch qualified personnel to the location of the outage within 4 hours. At the same time the call will be escalated to TDS's Field Operations Manager. TDS's Field Operations Manager will respond with on call qualified personnel to isolate the problem. The problem may then be escalated as necessary for notification.

2.0 ESCALATION LISTS

SU Escalation List

Jill Weiss
Utility Director
608-877-7423
JWeiss@stoughtonutilities.com

Brian Hoops
Asst. Utility Director
608-877-7412
BHoops@stoughtonutilities.com

TDS Escalation List

TDS Network Management Center
888-790-1216

Glen Campbell
(608) 848-2586
Glen.Campbell@tdstelecom.com

Michael Schneider
(608) 828-9451
Michael.Schneider@tdstelecom.com

3.0 ROUTINE MAINTENANCE STANDARDS

Maintenance of the fiber plant should be completed on a regular recurring basis and documented. Properly installed fiber plant normally needs minimal routine maintenance. Most hazards to fiber plant are external in nature, such as dig ups, pole hits, gun shots, etc. Most destructive events are detected immediately and corrected with plant restoration. A well implemented maintenance plan will permit correction of marginal plant conditions that might otherwise become restoration events. TDS's Network Management Center should be notified in advance of any scheduled Outside Plant facilities (OSP) maintenance activity reported or planned:

TDS Network Management Center
888-790-1216

4.0 CABLE ROUTE SURVEILLANCE

OSP are periodically inspected by field personnel. During this periodic inspection the Cable route is driven/walked to inspect for discrepancies that may affect cable integrity. Any discrepancies found are documented and forwarded into the Outside Plant Maintenance desk for correction and repair as necessary. The following are some of the OSP items that will be inspected:

- Cable route integrity (e.g.: erosion)
- Condition of poles, pedestals, risers, lashing wire, route markers, and signs
- Clearance of aerial facilities
- Construction activity in the area near the cable

5.0 PLANT LOCATION REQUESTS

All facilities associated with this agreement are located in Wisconsin, which has a statewide “one call” agency for excavators to request and notify utilities of digging in the vicinity of TDS’s facilities. TDS will subscribe to these services and follow the guidelines and laws applicable to that state including the marking of their facilities within the required time of receipt of request. TDS will also take action to ensure that the excavator is aware of and protects the facility during the excavation as required.

6.0 PLANT RELOCATION REQUESTS

Plant relocation requests will be submitted to the manager of field operations to be reviewed for applicable resolution. Requests should be responded to and scheduled as required taking into consideration the scope of work and the urgency of the activity.

**RESOLUTION FROM THE UTILITIES COMMITTEE TO THE
STOUGHTON COMMON COUNCIL**

Approval of the Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom

Committee Action: Utilities Committee recommended Common Council approval -0

Fiscal Impact: \$180,000.00

File Number: R-xxx-2021

Date Introduced: March 23, 2021

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

WHEREAS, Stoughton Utilities maintains 17 remote facilities, including electric substation, water production wells and storage towers, and sanitary sewer treatment facilities and pumping stations, and each of these facilities contain numerous pieces of networked equipment that communicate with our operational control and security systems; and

WHEREAS, There exists a need for secure dedicated fiber optic communications (dark fiber) between these remote facilities and the Stoughton Utilities Administration Office; and

WHEREAS, Stoughton Utilities staff brought the dark fiber IRU agreement concept to the Stoughton Utilities Committee on June 9, 2020 to discuss the concept and determine the feasibility of moving forward with discussions; and

WHEREAS, Funds were allocated for the dark fiber IRU agreement in the Stoughton Utilities 2021 Budget and Five Year (2021 – 2025) Capital Improvement Projects (CIP) Plan; and

WHEREAS, Stoughton Utilities staff has negotiated an agreement with TDS Metrocom, whereby four secure dedicated and unlit (dark) fiber optic strands will be installed to connect all Stoughton Utilities remote facilities, and provided to Stoughton Utilities for their use under an Indefeasible Right of Use (IRU) agreement; and

WHEREAS, on March 22, 2021, the Stoughton Utilities Committee approved and recommended to the Stoughton Common Council the Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom; now therefore

BE IT RESOLVED by the City of Stoughton Common Council that that the proper city official(s) be hereby directed to enter into an agreement for the Fiber Optic Agreement and Grant of Indefeasible Right of Use (IRU) Between the City of Stoughton and TDS Metrocom.

Council Action: **Adopted** **Failed** **Vote:** _____

Mayoral Action: **Accept** **Veto**

Mayor Tim Swadley

Date

Council Action: _____ **Override** **Vote:** _____



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jamin T. Friedl, CPA
City of Stoughton Finance Director

Brian R. Hoops
Stoughton Utilities Assistant Director

Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Bad Debt Account Write-Offs through December 31, 2020

Staff is requesting that the following Stoughton Utilities customer account balances and invoices totaling \$14,950.54 be written off as uncollectible as of December 31, 2020.

The delinquent balances on the enclosed list remain after collection efforts of at least six months in duration have proven to be unsuccessful, or when collection efforts are not possible due to bankruptcy or the death of the responsible party. These delinquencies have been determined to be uncollectible, and should be written off as such.

Delinquent customer accounts and their associated balances will remain listed within our bad debt file. If a customer returns to our service territory and has previously incurred a bad debt on their account, we require a deposit to insure payment for future service. In addition, if the write-off did not result from a bankruptcy filing, we will attempt collection of the debt as a condition of new service.

Any listed debt that has been submitted to the Wisconsin Department of Revenue (DOR) for collection through their Tax Refund Intercept Program (TRIP) and/or State Debt Collection (SDC) Initiatives will remain until the DOR removes the submission.

We are requesting that the Stoughton Utilities Committee approve the Bad Debt Account Write-offs through December 31, 2020, and recommend the Stoughton Common Council approve the write-offs and adopt the accompanying resolution.

Bad Debt Account Write-Off List
Uncollectable as of December 31, 2020

Date Issued:	Reference:	Description:	Electric:	Stormwater:	Water:	Wastewater:	Total:
08/20/2015	11722	Developer Planning/Engineering Reimbursement	\$ 586.11				\$ 586.11
02/02/2016	11861	Developer Planning/Engineering Reimbursement	\$ 58.97				\$ 58.97
02/02/2016	11862	Developer Planning/Engineering Reimbursement	\$ 42.69				\$ 42.69
05/25/2016	11948	Developer Planning/Engineering Reimbursement	\$ 61.41				\$ 61.41
07/18/2016	11987	Developer Planning/Engineering Reimbursement	\$ 95.80				\$ 95.80
09/30/2016	12027	Developer Planning/Engineering Reimbursement	\$ 314.22				\$ 314.22
03/07/2018	12439	Developer Planning/Engineering Reimbursement	\$ 211.23				\$ 211.23
03/21/2019	12730	Uncollectable construction invoice	\$ 475.00				\$ 475.00
03/21/2019	12731	Callout - Customer's Own Equipment	\$ 254.03				\$ 254.03
04/04/2019	12746	Vehicle Accident - Car vs. Pole	\$ 157.84				\$ 157.84
05/08/2019	12753	Damaged Utility Infrastructure/Meters	\$ 409.34				\$ 409.34
05/16/2019	12772	Damaged Utility Infrastructure/Meters			\$ 202.26		\$ 202.26
10/07/2019	12868	Callout - Customer's Own Equipment			\$ 134.11		\$ 134.11
12/18/2019	12945	Uncollectable construction invoice	\$ 136.57				\$ 136.57
12/26/2019	12946	Callout - Customer's Own Equipment			\$ 146.82		\$ 146.82
12/31/2019	12960	Vehicle Accident - Car vs. Pole	\$ 3,865.56				\$ 3,865.56
12/31/2019	12961	Vehicle Accident - Car vs. Pole	\$ 3,387.49				\$ 3,387.49
01/14/2020	12976	Uncollectable construction invoice	\$ 1,116.81				\$ 1,116.81
06/16/2020	13030	Callout - Customer's Own Equipment			\$ 178.96		\$ 178.96
06/16/2020	13042	Reimbursement from former employee	\$ 12.07				\$ 12.07
06/16/2020	13044	Damaged Utility Infrastructure/Meters	\$ 609.53				\$ 609.53
06/17/2020	13057	Vehicle Accident - Truck vs. Pole	\$ 360.63				\$ 360.63
11/04/2020	7314-13	Uncollectable Customer Balance	\$ 158.46				\$ 158.46
09/08/2016	7413-18	Uncollectable Customer Balance	\$ 411.67				\$ 411.67
05/31/2018	7415-18	Uncollectable Customer Balance	\$ 102.24				\$ 102.24
10/03/2017	7523-14	Uncollectable Customer Balance	\$ 144.83				\$ 144.83
09/05/2018	8482-10	Uncollectable Customer Balance	\$ 420.97				\$ 420.97
09/18/2017	8638-12	Uncollectable Customer Balance	\$ 152.12				\$ 152.12
06/06/2018	8666-11	Uncollectable Customer Balance	\$ 182.68				\$ 182.68
02/26/2018	8747-13	Uncollectable Customer Balance	\$ 52.27				\$ 52.27
08/30/2018	8772-10	Uncollectable Customer Balance	\$ 84.78				\$ 84.78
05/11/2018	8841-17	Uncollectable Customer Balance	\$ 51.58				\$ 51.58
06/28/2017	9367-36	Uncollectable Customer Balance	\$ 230.04				\$ 230.04
06/01/2017	9493-10	Uncollectable Customer Balance	\$ 141.45				\$ 141.45
Total to be Written Off:			\$ 14,288.39	\$ -	\$ 662.15	\$ -	\$ 14,950.54

RESOLUTION FROM THE UTILITIES COMMITTEE TO THE STOUGHTON COMMON COUNCIL	
<p>Authorizing and directing the proper City official(s) to approve the write-off of Stoughton Utilities delinquent account balances and invoices deemed uncollectible as of December 31, 2020.</p> <p>Committee Action: Utilities Committee recommended Common Council approval – 0.</p> <p>Fiscal Impact: \$14,950.54</p>	
File Number: R- XXX -2021	Date Introduced: March 23, 2021

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

WHEREAS, Stoughton Utilities staff attempted all possible collection efforts, or received notification of discharge of debt from bankruptcy, for customer’s account balances and invoices totaling \$14,950.54, and

WHEREAS, these delinquencies have been determined to be uncollectible, and should be written off as such, and

WHEREAS, delinquent accounts and their associated balances will remain listed within a bad debt file and collection attempts resumed if a customer returns to the Stoughton Utilities service territory, and

WHEREAS, any listed debt that has been submitted to the Wisconsin Department of Revenue (DOR) for collection through their programs will remain until the DOR removes the submission, and

WHEREAS, your Stoughton Utilities Committee met on March 22, 2021 to consider this request, approved the request, and recommends approval and the adoption of the corresponding resolution, now therefore

BE IT RESOLVED by the Common Council of the City of Stoughton that the proper city official(s) be hereby directed to write off uncollectible customer account balances and invoices totaling \$14,950.54 and record the amount as a 2021 operating expense.

Council Action: **Adopted** **Failed** **Vote:** _____

Mayoral Action: **Accept** **Veto**

Mayor Timothy Swadley

Date

Council Action: _____ **Override** **Vote:** _____



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jamin T. Friedl, CPA
City of Stoughton Finance Director

Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Declaration of Official Intent 2021-1

In order to preserve the ability to borrow funds for these equipment replacements later, it is requested that the Utilities Committee approve:

Declaration No. 2021-1 \$5,886,271.00

2021 Lead Water Service Replacements Contract 4-2021, including but not limited to engineering, legal, construction, property restoration, and other incidental expenses associated with the replacement of public and private lead water service lines, full or in part, from the water main to the water meter.



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

**NO. 2021 - 1
DECLARATION OF OFFICIAL INTENT**

This is a Declaration of Official Intent of the City of Stoughton, Dane County, Wisconsin (the “Issuer”) to reimburse an expenditure with proceeds of a borrowing or borrowings authorized by the Issuer. This Declaration is made under and pursuant to Treas. Reg. Section 1.150-2. The undersigned has been designated as the entity authorized by the Issuer to make this Declaration of Official Intent Pursuant to a Resolution adopted on April 13, 1993. This Declaration of Official Intent is a public record maintained in the files of the Issuer and is available for public inspection pursuant to Subchapter II of Chapter 19 of the Wisconsin Statutes.

The undersigned hereby declares that it is the reasonable expectation of the Issuer to use proceeds of a borrowing or borrowings to be incurred by the Issuer to reimburse expenditures for the property, project, or program or from the fund(s) / account(s) described below:

1. Project* description:

2021 Lead Water Service Replacements Contract 4-2021, including but not limited to engineering, legal, construction, property restoration, and other incidental expenses associated with the replacement of public and private lead water service lines, full or in part, from the water main to the water meter.

(Provide a general functional description of the property, project or program for which the expenditure to be reimbursed is paid, e.g. “building program,” “highway capital improvement program,” “hospital equipment acquisition,” “combined utility improvement program,” etc.)

or

2. Identify fund(s) / account(s):

7450 - Water

(Provide a general functional description of the purpose of the fund or account from which the expenditure to be reimbursed is paid, e.g. “Construction fund program” and “parks and recreation fund” and “highway fund.”)

The maximum principal amount of the borrowing or borrowings to be incurred to reimburse expenditures for the above-described purposes is reasonably expected, on the date hereof, to be \$5,886,271.00.

The Issuer intends to reimburse itself from borrowed funds within (1) one year after the expenditure is made or (2) one year after the facility is placed in service, whichever is later.

* Each of the expenditures described must be a cost of the type that is properly chargeable to capital account (or would be so chargeable with a proper election) under general federal income tax principles. Capital expenditures *include* costs incurred to acquire, construct or improve land, buildings, and equipment and *exclude* current operation expenses.

No money from sources other than the anticipated borrowing or borrowings is, or is reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Issuer with respect to the expenditure, pursuant to the budgetary and financial circumstances of the Issuer as of the date of this Declaration.

Dated this 22nd Day of March, 2021.

CITY OF STOUGHTON
UTILITIES COMMITTEE

By: _____

Title: Stoughton Utilities Committee Chairperson

MEMORANDUM

TO: Jamin Friedl, CPA, Finance Director
FROM: Jon Cameron, Ehlers
DATE: March 18, 2021
SUBJECT: Water Utility Lead Service Lateral Replacement Project Cash Flow Analysis

At the request of City staff Ehlers has prepared a cash flow and funding analysis for the Water Utility's upcoming lead service lateral replacement project ("project"). The analysis includes the following assumptions:

1. A total cost for the utility financed portion of the project of \$3,125,000.
2. The Safe Drinking Water Fund Loan program ("SDWF") through the State of Wisconsin is the permanent source of financing for the project.
 - a. A 20-year loan option was considered for this analysis at current interest rates plus 20-basis points for potential interest rate increase between now and the time the loan is secured.
 - b. An early 2022 timeline for the takeout of the SDWF loan was assumed with possible interim financing needed between the time of project initiation and the takeout of permanent financing.
3. Two cash flow scenarios out through the year 2026 were prepared for consideration:
 - a. Scenario 1: The Water Utility finances 100% of the project cost through the SDWF loan and cash funds the other identified projects in the Utility's 2021-2026 CIP.
 - b. Scenario 2: The Water Utility applies \$1,000,000 of cash on hand towards the project and debt finances the remaining \$2,125,000 cost. This scenario also assumes the Utility would cash fund the remaining projects in the Utility's 2021-2026 CIP.

In analyzing the two scenarios which are enclosed with this memo, we determine that both scenarios may be implementable for the Utility. Scenario 2 leaves the Utility with a lower reserve amount but is still at or above minimum recommended levels. Both scenarios result in very similar future user rate adjustments.

We are happy to discuss the results of the analysis with the Finance Committee at their meeting next week.



Water Utility Cash Flow Analysis – Scenario 1: 100% Debt Funding Lead Service Lateral Project (Public Portion)

For

The City of Stoughton



March, 2021

Prepared by:

Jon Cameron
Senior Municipal Advisor

Table 1

Water Utility Cash Flow Analysis - Historical 2017-2020

City of Stoughton, WI

	Actual			Estimated
	2017	2018	2019	2020
Revenues				
Total Revenues from User Rates	\$2,029,711	\$2,073,990	\$2,272,390	\$2,280,367
Percent Increase to User Rates				
Cumulative Percent Rate Increase				
Dollar Amount Increase to Revenues				
Other Revenues				
Interest Income	\$22,208	\$18,984	\$38,171	\$250,370
Other Income	\$106,652	\$283,868	\$82,441	\$81,289
Total Other Revenues	\$128,860	\$302,852	\$120,612	\$331,659
Total Revenues	\$2,158,571	\$2,376,842	\$2,393,002	\$2,612,026
Expenses				
Operating and Maintenance	\$1,049,770	\$969,181	\$1,066,072	\$1,083,261
PILOT Payment	\$387,855	\$420,305	\$423,351	\$437,266
Net Before Debt Service and Capital Expenditures	\$720,946	\$987,356	\$903,579	\$1,091,499
Debt Service				
Existing Debt P&I ¹	\$429,533	\$420,591	\$417,315	\$577,475
New (2021-2030) Debt Service P&I				
Total Debt Service	\$429,533	\$420,591	\$417,315	\$577,475
Transfer In (Out)/Cap. Contrib.	\$22,728	\$8,978	-\$7,683	\$0
Capital Improvements	\$833,246	\$516,872	\$844,708	\$621,403
Bond Proceeds/Grants	\$0	\$0	\$1,825,000	\$0
Reconcile to Audit	\$71,010	-\$44,291	\$109,060	
Net Annual Cash Flow	(\$448,095)	\$14,580	\$1,567,933	(\$107,379)
<u>Restricted and Unrestricted Cash Balance:</u>				
Balance at first of year				
Net Annual Cash Flow Addition/(subtraction)				
Balance at end of year	\$633,433	\$653,399	\$2,215,753	\$2,327,177

Notes:

Table 2 Water Utility Financial Benchmarking Analysis

City of Stoughton, WI

	Actual			Estimated	Budget
	2017	2018	2019	2020	2021
Target minimum cash balance					
Target minimum working capital - Ehlers ¹	1,167,777	1,132,077	1,352,955	1,275,266	1,488,399
Actual Days Cash Available - PSC ²	107	244	328	529	577
Actual Days Cash Available - Moody's ³	102	231	312	487	535
Actual Days Cash Available - S&P ⁴	102	231	312	487	535
Actual working capital-cash balance	633,433	653,399	2,215,753	2,327,177	2,501,298
Over (Under) Ehlers target	(534,344)	(478,678)	862,798	1,051,911	1,012,899
Over (Under) PSC target (90 days)	17	154	238	439	487
Over (Under) Moody's target (150 days)	(48)	81	162	337	385
Over (Under) Ehlers target (150 days)	(48)	81	162	337	385

Notes:

- 1) Target capital equals 6 mos of current year's operating expenses, including depreciation, plus 100% of following year's debt.
- 2) PSC formula = O&M expense + taxes + interest on long term debt ÷ 365 to get expense per day. Then Unrestricted Cash ÷ expense per day
- 3) Moody's Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation
- 4) S&P Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation; include designated reserve funds: ERFs, RSFs, etc

Rate of Return

Total Utility Plant in service BOY	14,600,959	15,364,438	15,748,033	16,671,701	17,293,104
Total Utility Plant in service EOY	15,364,438	15,748,033	16,671,701	17,293,104	20,551,174
Average Total Plant in Service	14,982,699	15,556,236	16,209,867	16,982,403	18,922,139
Contributed Plant in Service BOY	7,378,544	7,589,175	7,962,587	7,962,587	7,962,587
Contributed Plant in Service EOY	7,589,175	7,962,587	7,962,587	7,962,587	7,962,587
Avg Contributed Plant in Service	7,483,860	7,775,881	7,962,587	7,962,587	7,962,587
Average Utility Plant in Service	14,982,699	15,556,236	16,209,867	16,982,403	18,922,139
Plus: Materials and Supplies	38,106	40,302	39,401	39,270	39,270
Less: Utility Plant Accumulated Depreciation	4,893,449	5,136,863	5,322,413	5,657,757	6,058,990
Less: Regulatory Liability	222,486	188,258	154,030	205,373	256,717
Average Net Investment Rate Base (NIRB)	9,904,870	10,271,417	10,772,825	11,158,542	12,645,702
Net Operating Income	320,157	401,240	500,651	476,759	432,847
ROR	3.23%	3.91%	4.65%	4.27%	3.42%
Benchmark	4.90%	4.90%	4.90%	4.90%	4.90%

Cost Recovery

Operating Revenues	2,071,229	2,121,101	2,316,517	2,332,630	2,381,464
Operating Expenses incl. Depr & Amortization	1,494,371	1,429,523	1,550,960	1,418,605	1,505,284
Operating Expenses w/o Depr & Amortization	1,049,770	969,181	1,066,072	1,083,261	1,104,050
Cost Recovery incl. Depr	1.39	1.48	1.49	1.64	1.58
Cost Recovery w/o Depr	1.42	1.47	1.45	1.31	1.36
Target	1.00	1.00	1.00	1.00	1.00

Notes:

This operating ratio indicates whether operating revenues (mostly charges to customers) were sufficient to cover operations and capital (in the form of depreciation) for the water and/or wastewater utility in the fiscal year. A ratio of less than 1 could be a sign of financial concern. In general, this ratio should be higher than 1 to accommodate future capital investments.

Table 3 Water Utility Financial Health Charts

City of Stoughton, WI

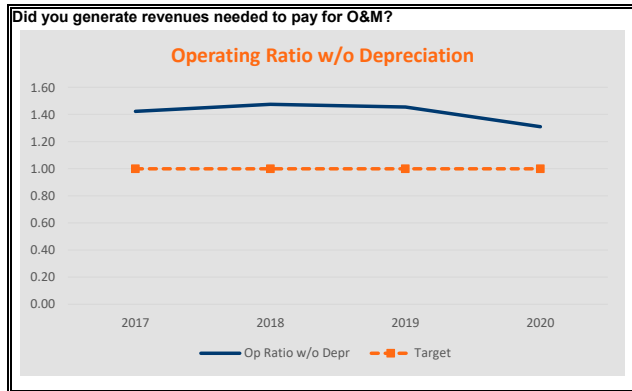
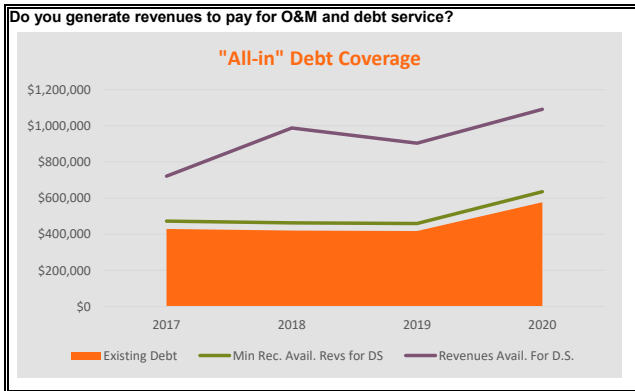
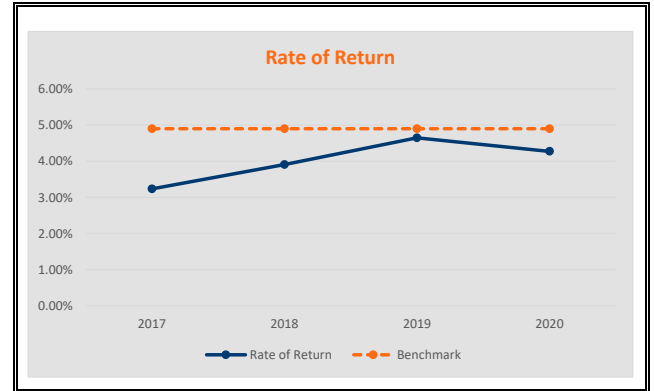
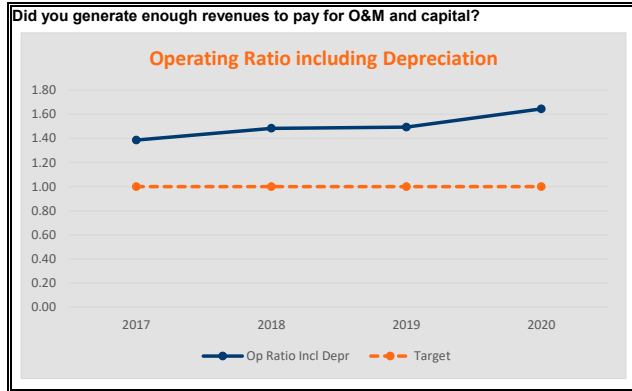
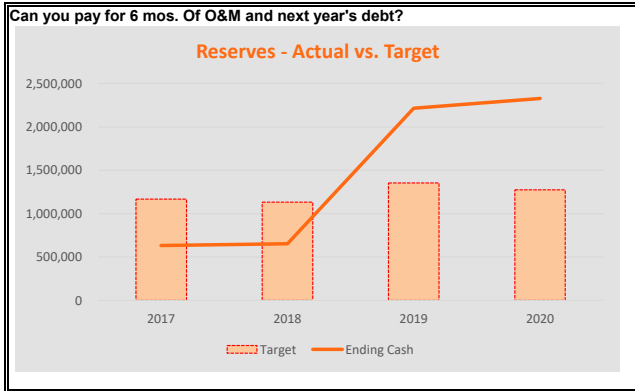


Table 4

Water Utility Capital Improvement Plan

City of Stoughton, WI

Projects	Funding	2021	2022	2023	2024	2025	2026	Totals
Lead Service Lateral Replacement (Public side)	Revenue Debt	3,125,000						3,125,000
Routine Capital Replacement	Cash	133,070	56,700	761,928	687,700	605,280	521,500	2,766,178
								0
								0
Actual CIP Costs		3,258,070	56,700	761,928	687,700	605,280	521,500	5,891,178

Sources of Funding								
G.O. Debt		0	0	0	0	0	0	0
Revenue Debt		3,125,000	0	0	0	0	0	3,125,000
Grants/Aids		0	0	0	0	0	0	0
Special Assessment		0	0	0	0	0	0	0
User Fees		0	0	0	0	0	0	0
Tax Levy		0	0	0	0	0	0	0
Equipment Replacement Fund		0	0	0	0	0	0	0
Cash		133,070	56,700	761,928	687,700	605,280	521,500	2,766,178
Total		3,258,070	56,700	761,928	687,700	605,280	521,500	5,891,178

Notes:

1. Source: City of Stoughton Finance Department, March, 2021.

Table 5 Capital Improvements Financing Plan

City of Stoughton, WI

	2022
	SDWF Loan
	2022 Water Projects
CIP Projects¹	3,125,000
Less Other Available Revenues	
Cash Available	-
ERF Funds	-
Net Borrowing Requirement	3,125,000
Debt Service Reserve	
Debt Service Reserve Funds On Hand	-
New Debt Service Reserve Requirement	-
Subtotal Reserve Fund Requirement	0
Estimated Issuance Expenses	0
TOTAL TO BE FINANCED	3,125,000
Rounding	-
NET BOND SIZE	3,125,000

Notes:

Table 6

Water Utility Projected Debt Service Payments (PROPOSED)

City of Stoughton, WI

NAME		Safe Drinking Water Fund Loan Series 2022			PROPOSED Water Utility Debt Service Summary				
AMT	\$3,125,000								
DATED	2/9/2022								
MATURE RATE	5/1/41								
	1.685%								
Year	Principal	Interest	Total	Total Prin	Total Int	Total P&I	Prin Outstanding	Year	
2021				0	0	0	3,125,000	2021	
2022	132,698	52,656	185,355	132,698	52,656	185,355	2,992,302	2022	
2023	134,934	50,420	185,355	134,934	50,420	185,355	2,857,367	2023	
2024	137,208	48,147	185,355	137,208	48,147	185,355	2,720,159	2024	
2025	139,520	45,835	185,355	139,520	45,835	185,355	2,580,640	2025	
2026	141,871	43,484	185,355	141,871	43,484	185,355	2,438,769	2026	
2027	144,261	41,093	185,355	144,261	41,093	185,355	2,294,507	2027	
2028	146,692	38,662	185,355	146,692	38,662	185,355	2,147,815	2028	
2029	149,164	36,191	185,355	149,164	36,191	185,355	1,998,651	2029	
2030	151,677	33,677	185,355	151,677	33,677	185,355	1,846,974	2030	
2031	154,233	31,122	185,355	154,233	31,122	185,355	1,692,741	2031	
2032	156,832	28,523	185,355	156,832	28,523	185,355	1,535,909	2032	
2033	159,475	25,880	185,355	159,475	25,880	185,355	1,376,435	2033	
2034	162,162	23,193	185,355	162,162	23,193	185,355	1,214,273	2034	
2035	164,894	20,460	185,355	164,894	20,460	185,355	1,049,379	2035	
2036	167,673	17,682	185,355	167,673	17,682	185,355	881,706	2036	
2037	170,498	14,857	185,355	170,498	14,857	185,355	711,208	2037	
2038	173,371	11,984	185,355	173,371	11,984	185,355	537,838	2038	
2039	176,292	9,063	185,355	176,292	9,063	185,355	361,546	2039	
2040	179,263	6,092	185,355	179,263	6,092	185,355	182,283	2040	
2041	182,283	3,071	185,355	182,283	3,071	185,355	0	2041	
TOTALS	3,125,000	582,092	3,707,092	3,125,000	582,092	3,707,092		TOTALS	

Notes:

1) Rate assumes existing 20-year SDWF Loan rate of 1.485% plus 20-basis points for market movement.

Table 7 Water Utility Cash Flow Analysis - Projected 2021-2026

City of Stoughton, WI

	Budget	Projected				
	2021	2022	2023	2024	2025	2026
Revenues						
Total Revenues from User Rates	\$2,336,464	\$2,645,280	\$2,645,280	\$2,810,043	\$2,810,043	\$2,810,043
Percent Increase to User Rates	2.46%	13.22%	0.00%	6.23%	0.00%	0.00%
Cumulative Percent Rate Increase	2.46%	16.00%	16.00%	23.23%	23.23%	23.23%
Dollar Amount Increase to Revenues	\$56,097	\$308,816	\$0	\$164,763	\$0	\$0
Other Revenues						
Interest Income	\$1,921	\$1,777	\$1,840	\$1,641	\$1,645	\$1,738
Special Assessments	\$37,153	\$35,992	\$34,831	\$33,670	\$32,509	\$31,348
Other Income	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Total Other Revenues	\$84,074	\$82,769	\$81,671	\$80,311	\$79,154	\$78,086
Total Revenues	\$2,420,538	\$2,728,049	\$2,726,951	\$2,890,355	\$2,889,198	\$2,888,130
Expenses						
Operating and Maintenance	\$1,104,050	\$1,090,312	\$1,198,715	\$1,161,730	\$1,235,455	\$1,189,857
PILOT Payment	\$443,333	\$497,043	\$496,221	\$507,196	\$516,672	\$524,157
Net Before Debt Service and Capital Expenditures	\$873,155	\$1,140,695	\$1,032,015	\$1,221,429	\$1,137,070	\$1,174,116
Debt Service						
Existing Debt P&I ¹	\$565,964	\$550,403	\$566,299	\$383,042	\$383,409	\$328,462
New (2021-2030) Debt Service P&I	\$0	\$185,355	\$185,355	\$185,355	\$185,355	\$185,355
Total Debt Service	\$565,964	\$735,757	\$751,653	\$568,397	\$568,764	\$513,817
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvements	\$3,258,070	\$56,700	\$761,928	\$687,700	\$605,280	\$521,500
Bond & Grant Proceeds	\$3,125,000	\$0	\$0	\$0	\$0	\$0
Net Annual Cash Flow	\$174,121	\$348,237	(\$481,567)	(\$34,668)	(\$36,974)	\$138,799
<u>Restricted and Unrestricted Cash Balance:</u>						
Balance at first of year	\$2,327,177	\$2,501,298	\$2,849,535	\$2,367,969	\$2,333,301	\$2,296,327
Net Annual Cash Flow Addition/(subtraction)	\$174,121	\$348,237	-\$481,567	-\$34,668	-\$36,974	\$138,799
Balance at end of year	\$2,501,298	\$2,849,535	\$2,367,969	\$2,333,301	\$2,296,327	\$2,435,126

Notes:

Legend:

-
 Simplified Rate Case (if eligible)
-
 Conventional (Full) Rate Case

Table 8 Water Utility Financial Benchmarking Analysis Projected 2021 - 2026

City of Stoughton, WI

	Budget 2021	2022	2023	Projected 2024	2025	2026
Target minimum cash balance						
Target minimum working capital - Ehlers ¹	1,488,399	1,514,490	1,389,575	1,378,901	1,367,321	1,209,561
Actual Days Cash Available - PSC ²	577	742	498	498	450	509
Actual Days Cash Available - Moody's ³	535	658	452	456	418	476
Actual Days Cash Available - S&P ⁴	535	658	452	456	418	476
Actual working capital-cash balance						
Over (Under) Ehlers target	2,501,298	2,849,535	2,367,969	2,333,301	2,296,327	2,435,126
Over (Under) Ehlers target	1,012,899	1,335,045	978,394	954,399	929,006	1,225,565
Over (Under) PSC target (90 days)	487	652	408	408	360	419
Over (Under) Moody's target (150 days)	385	508	302	306	268	326
Over (Under) Ehlers target (150 days)	385	508	302	306	268	326

Notes:

- 1) Target capital equals 6 mos of following year's operating expenses, including depreciation, plus 100% of following year's debt.
- 2) PSC formula = O&M expense + taxes + interest on long term debt ÷ 365 to get expense per day. Then Unrestricted Cash ÷ expense per day
- 3) Moody's Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation
- 4) S&P Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation; include designated reserve funds: ERFs, RSFs, etc

Rate of Return						
Average Utility Plant in Service	18,922,139	20,579,524	20,988,838	21,713,652	22,360,142	22,923,532
Plus: Materials and Supplies	29,452	29,452	29,452	29,452	29,452	29,452
Less: Utility Plant Accumulated Depreciation	6,058,990	6,494,351	6,937,992	7,396,537	7,868,091	8,350,935
Less: Regulatory Liability	256,717	308,060	359,403	410,747	462,090	513,433
Average Net Investment Rate Base (NIRB)	12,635,884	13,806,565	13,720,895	13,935,820	14,059,413	14,088,616
Net Operating Income	432,847	667,564	551,703	727,573	631,362	658,186
ROR	3.43%	4.84%	4.02%	5.22%	4.49%	4.67%
Benchmark						

Cost Recovery						
Operating Revenues	2,381,464	2,690,280	2,690,280	2,855,043	2,855,043	2,855,043
Operating Expenses incl. Depr & Amortization	1,505,284	1,525,673	1,642,356	1,620,275	1,707,009	1,672,701
Operating Expenses w/o Depr & Amortization	1,104,050	1,090,312	1,198,715	1,161,730	1,235,455	1,189,857
Cost Recovery incl. Depr	1.58	1.76	1.64	1.76	1.67	1.71
Cost Recovery w/o Depr	1.36	1.40	1.37	1.39	1.38	1.41
Target	1.00	1.00	1.00	1.00	1.00	1.00

Notes:

This operating ratio indicates whether operating revenues (mostly charges to customers) were sufficient to cover operations and capital (in the form of depreciation) for the water and/or wastewater utility in the fiscal year. A ratio of less than 1 could be a sign of financial concern. In general, this ratio should be higher than 1 to accommodate future capital investments.

Table 9

Water Utility Statement of Projected Revenue Bond Coverage

City of Stoughton, WI

Year	Total Operating Revenues	Less:		Existing Rev Debt	Future Rev Debt	Total Water Debt Service	Coverage
		Total O&M Expense	Amount Available for Debt Service	Total	Total		
2021	2,383,385	(1,104,050)	1,279,334	509,864	-	509,864	2.51
2022	2,692,057	(1,090,312)	1,601,745	492,353	185,355	677,707	2.36
2023	2,692,120	(1,198,715)	1,493,404	509,329	185,355	694,683	2.15
2024	2,856,685	(1,161,730)	1,694,954	327,186	185,355	512,541	3.31
2025	2,856,689	(1,235,455)	1,621,233	325,768	185,355	511,123	3.17
2026	2,856,782	(1,189,857)	1,666,924	328,462	185,355	513,817	3.24

Notes:

1) Revenue Coverage determined from 2022 SDWFL Loan



Water Utility Cash Flow Analysis – Scenario 2: Debt & Cash Funding Lead Service Lateral Project (Public Portion)

For

The City of Stoughton



March, 2021

Prepared by:

Jon Cameron
Senior Municipal Advisor

Table 1

Water Utility Cash Flow Analysis - Historical 2017-2020

City of Stoughton, WI

	Actual			Estimated
	2017	2018	2019	2020
Revenues				
Total Revenues from User Rates	\$2,029,711	\$2,073,990	\$2,272,390	\$2,280,367
Percent Increase to User Rates				
Cumulative Percent Rate Increase				
Dollar Amount Increase to Revenues				
Other Revenues				
Interest Income	\$22,208	\$18,984	\$38,171	\$250,370
Other Income	\$106,652	\$283,868	\$82,441	\$81,289
Total Other Revenues	\$128,860	\$302,852	\$120,612	\$331,659
Total Revenues	\$2,158,571	\$2,376,842	\$2,393,002	\$2,612,026
Expenses				
Operating and Maintenance	\$1,049,770	\$969,181	\$1,066,072	\$1,083,261
PILOT Payment	\$387,855	\$420,305	\$423,351	\$437,266
Net Before Debt Service and Capital Expenditures	\$720,946	\$987,356	\$903,579	\$1,091,499
Debt Service				
Existing Debt P&I ¹	\$429,533	\$420,591	\$417,315	\$577,475
New (2021-2030) Debt Service P&I				
Total Debt Service	\$429,533	\$420,591	\$417,315	\$577,475
Transfer In (Out)/Cap. Contrib.	\$22,728	\$8,978	-\$7,683	\$0
Capital Improvements	\$833,246	\$516,872	\$844,708	\$621,403
Bond Proceeds/Grants	\$0	\$0	\$1,825,000	\$0
Reconcile to Audit	\$71,010	-\$44,291	\$109,060	
Net Annual Cash Flow	(\$448,095)	\$14,580	\$1,567,933	(\$107,379)
<u>Restricted and Unrestricted Cash Balance:</u>				
Balance at first of year				
Net Annual Cash Flow Addition/(subtraction)				
Balance at end of year	\$633,433	\$653,399	\$2,215,753	\$2,327,177

Notes:

Table 2 Water Utility Financial Benchmarking Analysis

City of Stoughton, WI

	Actual			Estimated	Budget
	2017	2018	2019	2020	2021
Target minimum cash balance					
Target minimum working capital - Ehlers ¹	1,167,777	1,132,077	1,352,955	1,275,266	1,429,086
Actual Days Cash Available - PSC ²	107	244	328	529	220
Actual Days Cash Available - Moody's ³	102	231	312	487	205
Actual Days Cash Available - S&P ⁴	102	231	312	487	205
Actual working capital-cash balance	633,433	653,399	2,215,753	2,327,177	1,501,298
Over (Under) Ehlers target	(534,344)	(478,678)	862,798	1,051,911	72,212
Over (Under) PSC target (90 days)	17	154	238	439	130
Over (Under) Moody's target (150 days)	(48)	81	162	337	55
Over (Under) Ehlers target (150 days)	(48)	81	162	337	55

Notes:

- 1) Target capital equals 6 mos of current year's operating expenses, including depreciation, plus 100% of following year's debt.
- 2) PSC formula = O&M expense + taxes + interest on long term debt ÷ 365 to get expense per day. Then Unrestricted Cash ÷ expense per day
- 3) Moody's Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation
- 4) S&P Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation; include designated reserve funds: ERFs, RSFs, etc

Rate of Return

Total Utility Plant in service BOY	14,600,959	15,364,438	15,748,033	16,671,701	17,293,104
Total Utility Plant in service EOY	15,364,438	15,748,033	16,671,701	17,293,104	20,551,174
Average Total Plant in Service	14,982,699	15,556,236	16,209,867	16,982,403	18,922,139
Contributed Plant in Service BOY	7,378,544	7,589,175	7,962,587	7,962,587	7,962,587
Contributed Plant in Service EOY	7,589,175	7,962,587	7,962,587	7,962,587	7,962,587
Avg Contributed Plant in Service	7,483,860	7,775,881	7,962,587	7,962,587	7,962,587
Average Utility Plant in Service	14,982,699	15,556,236	16,209,867	16,982,403	18,922,139
Plus: Materials and Supplies	38,106	40,302	39,401	39,270	39,270
Less: Utility Plant Accumulated Depreciation	4,893,449	5,136,863	5,322,413	5,657,757	6,058,990
Less: Regulatory Liability	222,486	188,258	154,030	205,373	256,717
Average Net Investment Rate Base (NIRB)	9,904,870	10,271,417	10,772,825	11,158,542	12,645,702
Net Operating Income	320,157	401,240	500,651	476,759	432,847
ROR	3.23%	3.91%	4.65%	4.27%	3.42%
Benchmark	4.90%	4.90%	4.90%	4.90%	4.90%

Cost Recovery

Operating Revenues	2,071,229	2,121,101	2,316,517	2,332,630	2,381,464
Operating Expenses incl. Depr & Amortization	1,494,371	1,429,523	1,550,960	1,418,605	1,505,284
Operating Expenses w/o Depr & Amortization	1,049,770	969,181	1,066,072	1,083,261	1,104,050
Cost Recovery incl. Depr	1.39	1.48	1.49	1.64	1.58
Cost Recovery w/o Depr	1.42	1.47	1.45	1.31	1.36
Target	1.00	1.00	1.00	1.00	1.00

Notes:

This operating ratio indicates whether operating revenues (mostly charges to customers) were sufficient to cover operations and capital (in the form of depreciation) for the water and/or wastewater utility in the fiscal year. A ratio of less than 1 could be a sign of financial concern. In general, this ratio should be higher than 1 to accommodate future capital investments.

Table 3 Water Utility Financial Health Charts

City of Stoughton, WI

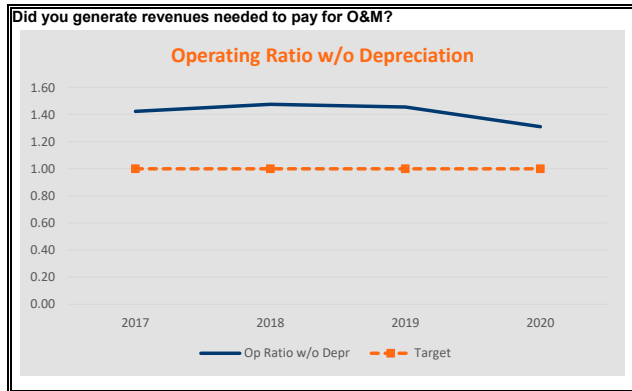
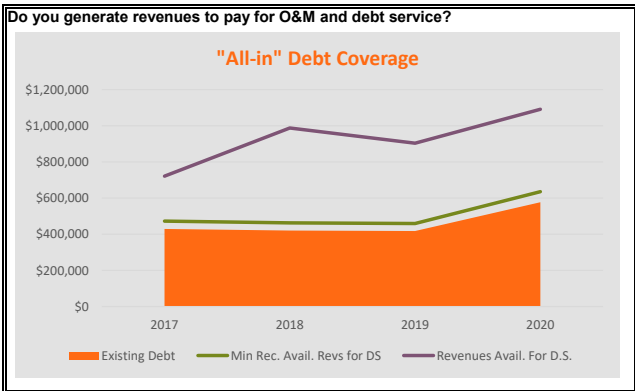
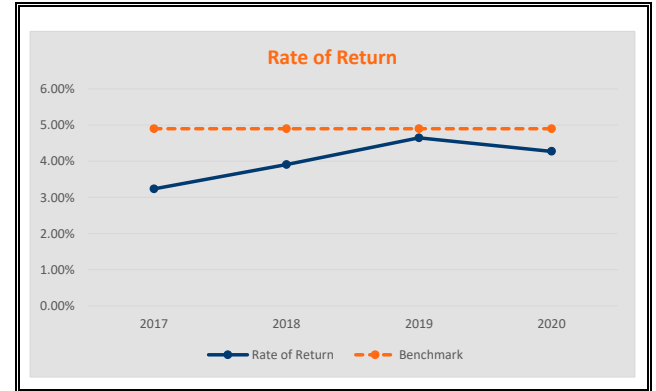
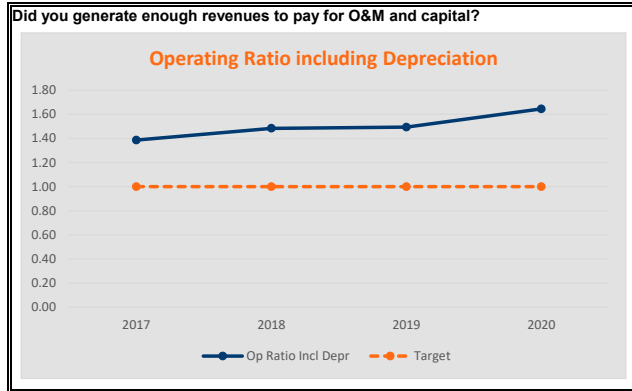
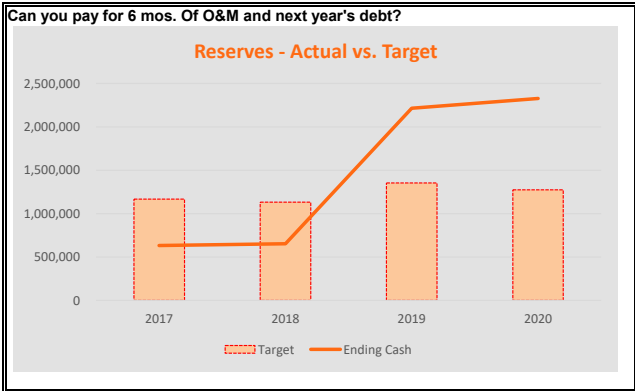


Table 4 Water Utility Capital Improvement Plan

City of Stoughton, WI

Projects	Funding	2021	2022	2023	2024	2025	2026	Totals
Lead Service Lateral Replacement (Public side)	Revenue Debt	2,125,000						2,125,000
Routine Capital Replacement	Cash	133,070	56,700	761,928	687,700	605,280	521,500	2,766,178
Lead Service Lateral Replacement (Public side)	Cash	1,000,000						1,000,000
								0
Actual CIP Costs		3,258,070	56,700	761,928	687,700	605,280	521,500	5,891,178

Sources of Funding	2021	2022	2023	2024	2025	2026	Totals
G.O. Debt	0	0	0	0	0	0	0
Revenue Debt	2,125,000	0	0	0	0	0	2,125,000
Grants/Aids	0	0	0	0	0	0	0
Special Assessment	0	0	0	0	0	0	0
User Fees	0	0	0	0	0	0	0
Tax Levy	0	0	0	0	0	0	0
Equipment Replacement Fund	0	0	0	0	0	0	0
Cash	1,133,070	56,700	761,928	687,700	605,280	521,500	3,766,178
Total	3,258,070	56,700	761,928	687,700	605,280	521,500	5,891,178

Notes:

1. Source: City of Stoughton Finance Department, March, 2021.

Table 5 Capital Improvements Financing Plan

City of Stoughton, WI

	2022
	SDWF Loan
	2022 Water Projects
CIP Projects¹	2,125,000
Less Other Available Revenues	
Cash Available	-
ERF Funds	-
Net Borrowing Requirement	2,125,000
Debt Service Reserve	
Debt Service Reserve Funds On Hand	-
New Debt Service Reserve Requirement	-
Subtotal Reserve Fund Requirement	0
Estimated Issuance Expenses	0
TOTAL TO BE FINANCED	2,125,000
Rounding	-
NET BOND SIZE	2,125,000

Notes:

Table 6

Water Utility Projected Debt Service Payments (PROPOSED)

City of Stoughton, WI

NAME		Safe Drinking Water Fund Loan Series 2022			PROPOSED Water Utility Debt Service Summary				
AMT	\$2,125,000								
DATED	2/9/2022								
MATURE RATE	5/1/41								
	1.685%								
Year	Principal	Interest	Total	Total Prin	Total Int	Total P&I	Prin Outstanding	Year	
2021				0	0	0	2,125,000	2021	
2022	90,235	35,806	126,041	90,235	35,806	126,041	2,034,765	2022	
2023	91,755	34,286	126,041	91,755	34,286	126,041	1,943,010	2023	
2024	93,301	32,740	126,041	93,301	32,740	126,041	1,849,708	2024	
2025	94,874	31,168	126,041	94,874	31,168	126,041	1,754,835	2025	
2026	96,472	29,569	126,041	96,472	29,569	126,041	1,658,363	2026	
2027	98,098	27,943	126,041	98,098	27,943	126,041	1,560,265	2027	
2028	99,751	26,290	126,041	99,751	26,290	126,041	1,460,514	2028	
2029	101,431	24,610	126,041	101,431	24,610	126,041	1,359,083	2029	
2030	103,141	22,901	126,041	103,141	22,901	126,041	1,255,942	2030	
2031	104,878	21,163	126,041	104,878	21,163	126,041	1,151,064	2031	
2032	106,646	19,395	126,041	106,646	19,395	126,041	1,044,418	2032	
2033	108,443	17,598	126,041	108,443	17,598	126,041	935,975	2033	
2034	110,270	15,771	126,041	110,270	15,771	126,041	825,706	2034	
2035	112,128	13,913	126,041	112,128	13,913	126,041	713,578	2035	
2036	114,017	12,024	126,041	114,017	12,024	126,041	599,560	2036	
2037	115,939	10,103	126,041	115,939	10,103	126,041	483,622	2037	
2038	117,892	8,149	126,041	117,892	8,149	126,041	365,730	2038	
2039	119,879	6,163	126,041	119,879	6,163	126,041	245,851	2039	
2040	121,899	4,143	126,041	121,899	4,143	126,041	123,953	2040	
2041	123,953	2,089	126,041	123,953	2,089	126,041	0	2041	
TOTALS	2,125,000	395,822	2,520,822	2,125,000	395,822	2,520,822		TOTALS	

Notes:

1) Rate assumes existing 20-year SDWF Loan rate of 1.485% plus 20-basis points for market movement.

Table 7 Water Utility Cash Flow Analysis - Projected 2021-2026

City of Stoughton, WI

	Budget	Projected				
	2021	2022	2023	2024	2025	2026
Revenues						
Total Revenues from User Rates	\$2,336,464	\$2,654,223	\$2,654,223	\$2,767,771	\$2,767,771	\$2,767,771
Percent Increase to User Rates	2.46%	13.60%	0.00%	4.28%	0.00%	0.00%
Cumulative Percent Rate Increase	2.46%	16.39%	16.39%	21.37%	21.37%	21.37%
Dollar Amount Increase to Revenues	\$56,097	\$317,759	\$0	\$113,548	\$0	\$0
Other Revenues						
Interest Income	\$1,921	\$1,777	\$1,840	\$1,641	\$1,645	\$1,738
Special Assessments	\$37,153	\$35,992	\$34,831	\$33,670	\$32,509	\$31,348
Other Income	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000
Total Other Revenues	\$84,074	\$82,769	\$81,671	\$80,311	\$79,154	\$78,086
Total Revenues	\$2,420,538	\$2,736,993	\$2,735,894	\$2,848,082	\$2,846,925	\$2,845,857
Expenses						
Operating and Maintenance	\$1,104,050	\$1,090,312	\$1,198,715	\$1,161,730	\$1,235,455	\$1,189,857
PILOT Payment	\$443,333	\$497,043	\$496,221	\$507,196	\$516,672	\$524,157
Net Before Debt Service and Capital Expenditures	\$873,155	\$1,149,638	\$1,040,958	\$1,179,156	\$1,094,798	\$1,131,843
Debt Service						
Existing Debt P&I ¹	\$565,964	\$550,403	\$566,299	\$383,042	\$383,409	\$328,462
New (2021-2030) Debt Service P&I	\$0	\$126,041	\$126,041	\$126,041	\$126,041	\$126,041
Total Debt Service	\$565,964	\$676,444	\$692,340	\$509,083	\$509,450	\$454,503
Transfer In (Out)	\$0	\$0	\$0	\$0	\$0	\$0
Capital Improvements	\$3,258,070	\$56,700	\$761,928	\$687,700	\$605,280	\$521,500
Bond & Grant Proceeds	\$2,125,000	\$0	\$0	\$0	\$0	\$0
Net Annual Cash Flow	(\$825,879)	\$416,494	(\$413,310)	(\$17,627)	(\$19,933)	\$155,840
Restricted and Unrestricted Cash Balance:						
Balance at first of year	\$2,327,177	\$1,501,298	\$1,917,792	\$1,504,482	\$1,486,855	\$1,466,922
Net Annual Cash Flow Addition/(subtraction)	-\$825,879	\$416,494	-\$413,310	-\$17,627	-\$19,933	\$155,840
Balance at end of year	\$1,501,298	\$1,917,792	\$1,504,482	\$1,486,855	\$1,466,922	\$1,622,762

Notes:

Legend:

-
 Simplified Rate Case (if eligible)
-
 Conventional (Full) Rate Case

Table 8

Water Utility Financial Benchmarking Analysis Projected 2021 - 2026

City of Stoughton, WI

	Budget 2021	2022	2023	Projected 2024	2025	2026
Target minimum cash balance						
Target minimum working capital - Ehlers ¹	1,429,086	1,455,177	1,330,262	1,319,588	1,308,008	1,150,247
Actual Days Cash Available - PSC ²	220	384	206	205	184	240
Actual Days Cash Available - Moody's ³	205	347	189	190	173	227
Actual Days Cash Available - S&P ⁴	205	347	189	190	173	227
Actual working capital-cash balance						
Over (Under) Ehlers target	1,501,298	1,917,792	1,504,482	1,486,855	1,466,922	1,622,762
Over (Under) Ehlers target	72,212	462,616	174,221	167,267	158,914	472,515
Over (Under) PSC target (90 days)	130	294	116	115	94	150
Over (Under) Moody's target (150 days)	55	197	39	40	23	77
Over (Under) Ehlers target (150 days)	55	197	39	40	23	77

Notes:
 1) Target capital equals 6 mos of following year's operating expenses, including depreciation, plus 100% of following year's debt.
 2) PSC formula = O&M expense + taxes + interest on long term debt ÷ 365 to get expense per day. Then Unrestricted Cash ÷ expense per day
 3) Moody's Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation
 4) S&P Formula = [(Unrestricted Cash + Liquid Investments) * 365 days] ÷ Total O&M Expenses less Depreciation; include designated reserve funds: ERFs, RSFs, etc

Rate of Return						
Average Utility Plant in Service	18,922,139	20,579,524	20,988,838	21,713,652	22,360,142	22,923,532
Plus: Materials and Supplies	29,452	29,452	29,452	29,452	29,452	29,452
Less: Utility Plant Accumulated Depreciation	6,058,990	6,494,351	6,937,992	7,396,537	7,868,091	8,350,935
Less: Regulatory Liability	256,717	308,060	359,403	410,747	462,090	513,433
Average Net Investment Rate Base (NIRB)	12,635,884	13,806,565	13,720,895	13,935,820	14,059,413	14,088,616
Net Operating Income	432,847	676,507	560,646	685,300	589,090	615,913
ROR	3.43%	4.90%	4.09%	4.92%	4.19%	4.37%
Benchmark						

Cost Recovery						
Operating Revenues	2,381,464	2,699,223	2,699,223	2,812,771	2,812,771	2,812,771
Operating Expenses incl. Depr & Amortization	1,505,284	1,525,673	1,642,356	1,620,275	1,707,009	1,672,701
Operating Expenses w/o Depr & Amortization	1,104,050	1,090,312	1,198,715	1,161,730	1,235,455	1,189,857
Cost Recovery incl. Depr	1.58	1.77	1.64	1.74	1.65	1.68
Cost Recovery w/o Depr	1.36	1.40	1.37	1.39	1.38	1.41
Target	1.00	1.00	1.00	1.00	1.00	1.00

Notes:
 This operating ratio indicates whether operating revenues (mostly charges to customers) were sufficient to cover operations and capital (in the form of depreciation) for the water and/or wastewater utility in the fiscal year. A ratio of less than 1 could be a sign of financial concern. In general, this ratio should be higher than 1 to accommodate future capital investments.

Table 9

Water Utility Statement of Projected Revenue Bond Coverage

City of Stoughton, WI

Year	Total Operating Revenues	Less:		Existing Rev Debt	Future Rev Debt	Total Water Debt Service	Coverage
		Total O&M Expense	Amount Available for Debt Service	Total	Total		
2021	2,383,385	(1,104,050)	1,279,334	509,864	-	509,864	2.51
2022	2,701,001	(1,090,312)	1,610,688	492,353	126,041	618,394	2.60
2023	2,701,063	(1,198,715)	1,502,348	509,329	126,041	635,370	2.36
2024	2,814,412	(1,161,730)	1,652,682	327,186	126,041	453,227	3.65
2025	2,814,416	(1,235,455)	1,578,961	325,768	126,041	451,809	3.49
2026	2,814,509	(1,189,857)	1,624,652	328,462	126,041	454,503	3.57

Notes:

1) Revenue Coverage determined from 2022 SDWFL Loan



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 19, 2021

To: Stoughton Utilities Committee

From: Jamin T. Friedl, CPA
City of Stoughton Finance Director

Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Execution of the Wisconsin Department of Natural Resources (DNR) Principal Forgiven Financial Assistance Agreement

As part of Stoughton Utilities 2021 Lead Service Line (LSL) Replacement Project, we will be replacing private lead service lines at residential properties, schools, and licensed daycare centers, with the costs associated with the private replacements to be paid for using funding provided by the State of Wisconsin Safe Drinking Water Loan Program (SDWLP).

As part of the SDWLP, the principal loan amount will be forgiven at the time that loan disbursements are made to the municipality, pursuant to the DNR Financial Assistance Agreement. The SDWLP has determined that it can provide a loan with principal forgiveness in an amount up to \$3,796,901.00.

We are requesting that the Stoughton Utilities Committee approve the execution of the Wisconsin Department of Natural Resources Principal Forgiven Financial Assistance Agreement that contains the terms and conditions of the SDWLP award for the project, and recommend execution of the agreement to the Stoughton Finance Committee and Stoughton Common Council.

**RESOLUTION FROM THE UTILITIES COMMITTEE TO THE
STOUGHTON COMMON COUNCIL**

Authorizing and directing the proper City official(s) to execute the Wisconsin Department of Natural Resources Principal Forgiven Financial Assistance Agreement.

Committee Action: Utilities Committee recommended Common Council approval – 0.

Fiscal Impact: Up to \$3,796,901.00

File Number: R-XXX-2021

Date Introduced: March 23, 2021

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

WHEREAS, the City of Stoughton (the “Municipality”) wishes to undertake a project to replace private lead service lines at residences, pre-k–12 schools and licensed and/or certified daycare centers, identified as DNR No. 5403-02 (the “Project”), and

WHEREAS, the Municipality has applied to the Safe Drinking Water Loan Program (the “SDWLP”) for financial assistance in the form of a loan made by the SDWLP to the Municipality of which all the principal will be forgiven at the time that loan disbursements are made to the Municipality, pursuant to the DNR Financial Assistance Agreement, and

WHEREAS, the SDWLP has determined that it can provide a loan with principal forgiveness in an amount up to \$3,796,901.00 that it has identified as being eligible for SDWLP funding, now therefore

BE IT RESOLVED by the Common Council of the City of Stoughton that the proper city official(s) are authorized by and on behalf of the Municipality to execute the Principal Forgiven Financial Assistance Agreement that contains the terms and conditions of the SDWLP award for the Project. The Principal Forgiven Financial Assistance Agreement is incorporated herein by this reference.

Council Action: **Adopted** **Failed** **Vote:** _____

Mayoral Action: **Accept** **Veto**

Mayor Timothy Swadley

Date

Council Action: _____ **Override** **Vote:** _____



Stoughton Utilities

600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 19, 2021

To: Stoughton Utilities Committee

From: Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Bid Award of 2021 Lead Water Service Replacements Contract 4-2021 to Five Star Energy Services, LLC

Bids for the 2021 Lead Water Service Replacements construction project were opened on March 18, 2021. Four bids were received with the resulting bid tabulation attached.

The bid for Contract 4-2021 includes the replacement of approximately 660 lead water services including the following approximate quantities: 29,000 linear feet of 1-inch copper water service installation using trenchless methods on public and private property, interior plumbing reconnections, pavement restoration, curb and gutter and sidewalk replacement, turf restoration, tree removal, and related miscellaneous work. The project is expected to be funded in part by a loan from the Wisconsin Safe Drinking Water Loan Program.

Bids received for Contract 4-2021 ranged from \$4,615,800.00 to \$6,087,625.00.

Five Star Energy Services, LLC of Big Bend, Wisconsin, was the apparent low bidder for the base bid with a bid of \$4,615,800.00. The bid was deemed to be responsive.

We are requesting that the Stoughton Utilities Committee approve the award of 2021 Lead Water Service Replacements contract 4-2021 to Five Star Energy Services, LLC, and recommend approval of the bid award to the Stoughton Finance Committee and the Stoughton Common Council.

SECTION 00 11 13

ADVERTISEMENT TO BID

STOUGHTON UTILITIES
CITY OF STOUGHTON, WISCONSIN
2021 LEAD WATER SERVICE REPLACEMENTS
CONTRACT 4-2021

Stoughton Utilities (OWNER) is requesting Bids for the construction of the following Project:

2021 Lead Water Service Replacements
Contract 4-2021

Bids for the construction of the Project will be received at Stoughton Utilities located at 600 South Fourth Street, Stoughton, WI 53589, until March 18, 2021, at 11 A.M., local time. At that time the Bids received will be publicly downloaded and read aloud publicly via teleconference. The login information for the teleconference is as follows: (608) 571-7149, Conference ID 282506203#.

The Project includes the following Work: Replacement of approximately 660 lead water services including the following approximate quantities: 29,000 linear feet of 1-inch copper water service installation using trenchless methods on public and private property; interior plumbing reconnections; pavement restoration; curb and gutter and sidewalk replacement; turf restoration; tree removal; and related miscellaneous work.

Complete digital Project Bidding Documents are available at www.strand.com or at www.questcdn.com. Download the digital Bidding Documents for \$30 by inputting Quest project number 7624600 on the website's Project Search page. Please contact QuestCDN.com at (952) 233-1632 or info@questcdn.com for assistance with free membership registration, downloading, and working with this digital project information.

For this project, bids will **ONLY** be received and accepted via the online electronic bid service through QuestCDN.com. To access the electronic bid form, download the project documents and click the online bidding button at the top of the advertisement.

The Issuing Office is Strand Associates, Inc.[®], 910 West Wingra Drive, Madison, WI 53715.

All Bidders submitting a sealed Bid shall obtain the Bidding Documents from QuestCDN.com.

Bidders who submit a Bid must be a Plan Holder of record at the Issuing Office. Bids from Bidders who are not on the Plan Holders List may be returned as not being responsive.

The Bid must be accompanied by Bid security made payable to OWNER in an amount of 10% of the Bidder's maximum Bid price.

Bidders shall comply with federal wage rates.

Bidders shall comply with the President's Executive Order No. 11246, Equal Employment Opportunity as amended.



Strand Associates, Inc.®
910 West Wingra Drive
Madison, WI 53715
(P) 608.251.4843

March 18, 2021

Ms. Jill Weiss, P.E., Utilities Director
Stoughton Utilities
600 South Fourth Street
P.O. Box 383
Stoughton, WI 53589

Re: 2021 Lead Water Service Replacements
Contract No. 4-2021
Stoughton Utilities, City of Stoughton, Wisconsin

Dear Jill,

Bids for the above-referenced project were opened on March 18, 2021. A tabulation of the four bids received is enclosed.

Five Star Energy Services, LLC of Big Bend, Wisconsin was the apparent low bidder with a bid of \$4,615,800. The bid included a bid bond for 10 percent. The bid is deemed to be responsive.

Strand Associates, Inc.® has not had previous experience with Five Star Energy Services, LLC.

If you determine that Five Star Energy Services, LLC is a responsible bidder after your evaluation of its qualifications, we recommend proceeding with award of the Contract in accordance with Article 18 of the Instructions to Bidders.

Please contact me at 608-251-4843 with any questions regarding this project.

Sincerely,

STRAND ASSOCIATES, INC.®

A handwritten signature in black ink that reads 'Mark A. Fisher'.

Mark A. Fisher, P.E.

Enclosure

2021 Lead Water Service Replacements													
Contract 4-2021													
Stoughton Utilities, City of Stoughton, Wisconsin													
Solicitor: Strand Associates, Inc.													
March 18, 2021, 11 AM CDT													
						Five Star Energy Services, LLC		Speedway Sand & Gravel Inc.		Mid City Corporation		Maddrell Excavating, LLC	
Section Title	Line Item	Item Code	Item Description	UofM	Quantity	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
Lead Service Line Replacement Both Public Portion and Private Portion							\$2,281,210.00		\$2,766,362.00		\$2,981,964.00		\$3,160,110.00
	1	LD-1	Locate Existing Sanitary Sewer Lateral Prior to Construction and Televis Existing Sanitary Sewer Lateral Before and After Water Service Installation	EA	309	\$600.00	\$185,400.00	\$431.00	\$133,179.00	\$500.00	\$154,500.00	\$880.00	\$271,920.00
	2	LD-2	1-IN PRIVATE Water Service-Trenchless Installation	LF	7200	\$60.00	\$432,000.00	\$97.90	\$704,880.00	\$6.00	\$43,200.00	\$45.00	\$324,000.00
	3	LD-3	1-IN PRIVATE Water Service-Open Cut Installation	LF	2400	\$80.00	\$192,000.00	\$117.20	\$281,280.00	\$10.00	\$24,000.00	\$40.00	\$96,000.00
	4	LD-4	1-IN PUBLIC Water Service-Trenchless Installation	LF	5500	\$60.00	\$330,000.00	\$23.20	\$127,600.00	\$6.00	\$33,000.00	\$45.00	\$247,500.00
	5	LD-5	1-IN PUBLIC Water Service-Open Cut Installation	LF	1800	\$80.00	\$144,000.00	\$35.70	\$64,260.00	\$10.00	\$18,000.00	\$40.00	\$72,000.00
	6	LD-6	Connect New PUBLIC Water Service to Existing Water Main and Abandon Existing PUBLIC Water Service at Main	EA	309	\$350.00	\$108,150.00	\$1,105.00	\$341,445.00	\$4,000.00	\$1,236,000.00	\$2,135.00	\$659,715.00
	7	LD-7	1-IN Curb Stop and Curb Box	EA	309	\$400.00	\$123,600.00	\$602.00	\$186,018.00	\$2,800.00	\$865,200.00	\$1,375.00	\$424,875.00
	8	LD-8	Connect to Existing PRIVATE Water Service in Building Interior	EA	309	\$1,350.00	\$417,150.00	\$1,605.00	\$495,945.00	\$1,200.00	\$370,800.00	\$1,250.00	\$386,250.00
	9	LD-9	Additional PRIVATE Interior Water Service Piping	LF	100	\$25.00	\$2,500.00	\$24.00	\$2,400.00	\$50.00	\$5,000.00	\$45.00	\$4,500.00
	10	LD-10	5-IN Sidewalk Removal and Replacement	SF	13200	\$4.00	\$52,800.00	\$4.10	\$54,120.00	\$3.50	\$46,200.00	\$9.50	\$125,400.00
	11	LD-11	6-IN Concrete Sidewalk/Driveway Apron Removal and Replacement	SF	4200	\$4.25	\$17,850.00	\$4.95	\$20,790.00	\$3.50	\$14,700.00	\$10.25	\$43,050.00
	12	LD-12	6-IN Gravel Driveway Restoration	SF	500	\$5.00	\$2,500.00	\$0.75	\$375.00	\$1.00	\$500.00	\$1.50	\$750.00
	13	LD-13	Curb and Gutter Removal and Replacement	LF	2600	\$40.00	\$104,000.00	\$30.75	\$79,950.00	\$25.00	\$65,000.00	\$60.00	\$156,000.00
	14	LD-14	4-IN Asphalt Pavement Restoration	SY	3600	\$40.00	\$144,000.00	\$55.00	\$198,000.00	\$28.15	\$101,340.00	\$65.00	\$234,000.00
	15	LD-15	Concrete Stairs Removal and Replacement	SF	120	\$50.00	\$6,000.00	\$17.00	\$2,040.00	\$10.00	\$1,200.00	\$115.00	\$13,800.00
	16	LD-16	Concrete Retaining Wall Removal and Replacement	VSF	30	\$65.00	\$1,950.00	\$106.00	\$3,180.00	\$1.00	\$30.00	\$125.00	\$3,750.00
	17	LD-17	Field Stone Retaining Wall Removal and Replacement	VSF	100	\$60.00	\$6,000.00	\$46.00	\$4,600.00	\$1.00	\$100.00	\$70.00	\$7,000.00
	18	LD-18	Modular Concrete Block Retaining Wall Removal and Replacement	VSF	100	\$40.00	\$4,000.00	\$46.00	\$4,600.00	\$1.00	\$100.00	\$65.00	\$6,500.00
	19	LD-19	Chain Link Fence Removal and Reinstallation	LF	30	\$50.00	\$1,500.00	\$66.00	\$1,980.00	\$1.00	\$30.00	\$80.00	\$2,400.00
	20	LD-20	Wood Fence Removal and Reinstallation	LF	20	\$65.00	\$1,300.00	\$46.00	\$920.00	\$1.00	\$20.00	\$150.00	\$3,000.00
	21	LD-21	Terrace Tree and Stump Removal 1-IN to 10-IN DIA at Breast Height	EA	30	\$50.00	\$1,500.00	\$280.00	\$8,400.00	\$100.00	\$3,000.00	\$400.00	\$12,000.00
	22	LD-22	Terrace Tree and Stump Removal 11-IN to 18-IN DIA at Breast Height	EA	12	\$60.00	\$720.00	\$640.00	\$7,680.00	\$1.00	\$12.00	\$1,100.00	\$13,200.00
	23	LD-23	Terrace Tree and Stump Removal 19-IN to 30-IN DIA at Breast Height	EA	12	\$70.00	\$840.00	\$1,560.00	\$18,720.00	\$1.00	\$12.00	\$1,300.00	\$15,600.00
	24	LD-24	Terrace Tree and Stump Removal 31-IN or Greater DIA at Breast Height	EA	4	\$100.00	\$400.00	\$2,320.00	\$9,280.00	\$1.00	\$4.00	\$2,600.00	\$10,400.00
	25	LD-25	Private Tree and Stump Removal 1-IN to 10-IN DIA at Breast Height	EA	5	\$50.00	\$250.00	\$280.00	\$1,400.00	\$1.00	\$5.00	\$700.00	\$3,500.00
	26	LD-26	Private Tree and Stump Removal 1-IN to 18-IN DIA at Breast Height	EA	5	\$60.00	\$300.00	\$640.00	\$3,200.00	\$1.00	\$5.00	\$1,800.00	\$9,000.00
	27	LD-27	Private Tree and Stump Removal 19-IN to 30-IN DIA at Breast Height	EA	5	\$70.00	\$350.00	\$1,560.00	\$7,800.00	\$1.00	\$5.00	\$2,200.00	\$11,000.00
	28	LD-28	Private Tree and Stump Removal 31-IN or greater DIA at Breast Height	EA	1	\$150.00	\$150.00	\$2,320.00	\$2,320.00	\$1.00	\$1.00	\$3,000.00	\$3,000.00
Lead Service Line Replacement-Private Only							\$1,755,175.00		\$2,036,383.00		\$1,881,403.00		\$2,015,650.00
	29	LD-29	Locate Existing Sanitary Sewer Lateral Prior to Construction and Televis Existing Sanitary Sewer Lateral Before and After Water Service Installation	EA	290	\$600.00	\$174,000.00	\$431.00	\$124,990.00	\$500.00	\$145,000.00	\$880.00	\$255,200.00
	30	LDPV-1	1-IN PRIVATE Water Service-Trenchless Installation	LF	7600	\$86.00	\$653,600.00	\$101.43	\$770,868.00	\$6.00	\$45,600.00	\$45.00	\$342,000.00

	31	LDPV-2	1-IN PRIVATE Water Service-Open Cut Installation	LF	2500	\$95.00	\$237,500.00	\$125.30	\$313,250.00	\$10.00	\$25,000.00	\$40.00	\$100,000.00
	32	LDPV-3	Connect New Private Water Service to Existing Private Water Service or Existing Curb Stop	EA	290	\$350.00	\$101,500.00	\$458.00	\$132,820.00	\$3,905.00	\$1,132,450.00	\$1,650.00	\$478,500.00
	33	LDPV-4	Curb Stop and Curb Box Replacement (If Authorized by OWNER)	EA	30	\$400.00	\$12,000.00	\$602.00	\$18,060.00	\$500.00	\$15,000.00	\$900.00	\$27,000.00
	34	LDPV-5	Install New 1-IN Water Service at 132 Forton Street. INCL Connection to Existing Curb Stop/Curb Box on Forton Street. Turn Off Existing Curb Stop at Prospect Street and Disconnect Private Water Serv	LS	1	\$7,500.00	\$7,500.00	\$14,500.00	\$14,500.00	\$14,500.00	\$14,500.00	\$6,250.00	\$6,250.00
	35	LDPV-6	Install New 1-IN Water Service at 225 South Fifth Street INCL Connection to Existing Curb Stop/Curb Box on East Main Street (Connection to Water Service Inside Building Paid Separately)	LS	1	\$8,000.00	\$8,000.00	\$1,500.00	\$1,500.00	\$10,000.00	\$10,000.00	\$7,125.00	\$7,125.00
	36	LDPV-7	Connect to Existing PRIVATE Water Service in Building Interior	EA	290	\$1,350.00	\$391,500.00	\$1,516.00	\$439,640.00	\$1,250.00	\$362,500.00	\$1,250.00	\$362,500.00
	37	LDPV-8	Additional PRIVATE Interior Water Service Piping	LF	100	\$25.00	\$2,500.00	\$24.00	\$2,400.00	\$50.00	\$5,000.00	\$38.00	\$3,800.00
	38	LDPV-9	5-IN Sidewalk Removal and Replacement	SF	26300	\$4.00	\$105,200.00	\$4.10	\$107,830.00	\$3.50	\$92,050.00	\$9.50	\$249,850.00
	39	LDPV-10	6-IN Concrete Sidewalk/Driveway Apron Removal and Replacement	SF	6700	\$4.25	\$28,475.00	\$4.95	\$33,165.00	\$3.50	\$23,450.00	\$10.25	\$68,675.00
	40	LDPV-11	6-IN Gravel Driveway Restoration	SF	500	\$5.00	\$2,500.00	\$0.75	\$375.00	\$1.00	\$500.00	\$1.50	\$750.00
	41	LDPV-12	Curb and Gutter Removal and Replacement	LF	100	\$40.00	\$4,000.00	\$30.75	\$3,075.00	\$25.00	\$2,500.00	\$60.00	\$6,000.00
	42	LDPV-13	4-IN Asphalt Pavement Restoration	SY	50	\$40.00	\$2,000.00	\$55.00	\$2,750.00	\$66.70	\$3,335.00	\$65.00	\$3,250.00
	43	LDPV-14	Concrete Stairs Removal and Replacement	SF	120	\$50.00	\$6,000.00	\$17.00	\$2,040.00	\$10.00	\$1,200.00	\$115.00	\$13,800.00
	44	LDPV-15	Concrete Retaining Wall Removal and Replacement	VSF	30	\$65.00	\$1,950.00	\$106.00	\$3,180.00	\$1.00	\$30.00	\$125.00	\$3,750.00
	45	LDPV-16	Field Stone Retaining Wall Removal and Replacement	VSF	100	\$60.00	\$6,000.00	\$46.00	\$4,600.00	\$1.00	\$100.00	\$70.00	\$7,000.00
	46	LDPV-17	Modular Concrete Block Retaining Wall Removal and Replacement	VSF	100	\$40.00	\$4,000.00	\$46.00	\$4,600.00	\$1.00	\$100.00	\$65.00	\$6,500.00
	47	LDPV-18	Chain Link Fence Removal and Reinstallation	LF	30	\$50.00	\$1,500.00	\$66.00	\$1,980.00	\$1.00	\$30.00	\$80.00	\$2,400.00
	48	LDPV-19	Wood Fence Removal and Reinstallation	LF	20	\$65.00	\$1,300.00	\$46.00	\$920.00	\$1.00	\$20.00	\$150.00	\$3,000.00
	49	LDPV-20	Terrace Tree and Stump Removal 1-IN to 10-IN DIA at Breast Height	EA	30	\$50.00	\$1,500.00	\$280.00	\$8,400.00	\$100.00	\$3,000.00	\$400.00	\$12,000.00
	50	LDPV-21	Terrace Tree and Stump Removal 11-IN to 18-IN DIA at Breast Height	EA	12	\$60.00	\$720.00	\$640.00	\$7,680.00	\$1.00	\$12.00	\$1,100.00	\$13,200.00
	51	LDPV-22	Terrace Tree and Stump Removal 19-IN to 30-IN DIA at Breast Height	EA	12	\$70.00	\$840.00	\$1,560.00	\$18,720.00	\$1.00	\$12.00	\$1,300.00	\$15,600.00
	52	LDPV-23	Terrace Tree and Stump Removal 31-IN or greater DIA at Breast Height	EA	4	\$100.00	\$400.00	\$2,320.00	\$9,280.00	\$1.00	\$4.00	\$2,600.00	\$10,400.00
	53	LDPV-24	Private Tree and Stump Removal 1-IN to 10-IN DIA at Breast Height	EA	3	\$50.00	\$150.00	\$280.00	\$840.00	\$1.00	\$3.00	\$700.00	\$2,100.00
	54	LDPV-25	Private Tree and Stump Removal 11-IN to 18-IN DIA at Breast Height	EA	3	\$60.00	\$180.00	\$640.00	\$1,920.00	\$1.00	\$3.00	\$1,800.00	\$5,400.00
	55	LDPV-26	Private Tree and Stump Removal 19-IN to 30-IN DIA at Breast Height	EA	3	\$70.00	\$210.00	\$1,560.00	\$4,680.00	\$1.00	\$3.00	\$2,200.00	\$6,600.00
	56	LDPV-27	Private Tree and Stump Removal 31-IN or Greater DIA at Breast Height	EA	1	\$150.00	\$150.00	\$2,320.00	\$2,320.00	\$1.00	\$1.00	\$3,000.00	\$3,000.00
Lead Service Line Replacement-Public Only							\$459,915.00		\$496,224.30		\$473,022.00		\$648,065.00
	57	LDPB-1	Locate Existing Sanitary Sewer Lateral Prior to Construction and Televis Existing Sanitary Sewer Lateral Before and After Water Service Installation	EA	61	\$600.00	\$36,600.00	\$431.00	\$26,291.00	\$500.00	\$30,500.00	\$880.00	\$53,680.00
	58	LDPB-2	Locate Existing PRIVATE Water Service to Determine Location of Connection and New Curb Stop to Avoid Tree Removal and/or Restorations Beyond Turf Restoration	EA	61	\$1,000.00	\$61,000.00	\$620.00	\$37,820.00	\$60.00	\$3,660.00	\$225.00	\$13,725.00
	59	LDPB-3	1-IN PRIVATE Water Service-Trenchless Installation (Curb Stop to Connection Point)	LF	150	\$110.00	\$16,500.00	\$58.20	\$8,730.00	\$6.00	\$900.00	\$95.00	\$14,250.00
	60	LDPB-4	1-IN PRIVATE Water Service-Open Cut Installation (Curb Stop to Connection Point)	LF	150	\$110.00	\$16,500.00	\$64.80	\$9,720.00	\$10.00	\$1,500.00	\$80.00	\$12,000.00
	61	LDPB-5	1-IN PUBLIC Water Service-Trenchless Installation	LF	1400	\$100.00	\$140,000.00	\$68.20	\$95,480.00	\$6.00	\$8,400.00	\$45.00	\$63,000.00
	62	LDPB-6	1-IN PUBLIC Water Service-Open Cut Installation	LF	400	\$105.00	\$42,000.00	\$82.00	\$32,800.00	\$10.00	\$4,000.00	\$40.00	\$16,000.00
	63	LDPB-7	Connect New PUBLIC Water Service to Existing Water Main and Abandon Existing PUBLIC Water Service at Main	EA	61	\$350.00	\$21,350.00	\$1,367.30	\$83,405.30	\$3,500.00	\$213,500.00	\$2,135.00	\$130,235.00
	64	LDPB-8	1-IN Curb Stop and Curb Box	EA	61	\$400.00	\$24,400.00	\$602.00	\$36,722.00	\$1,500.00	\$91,500.00	\$1,375.00	\$83,875.00

	65	LDPB-9	Connect Existing PRIVATE Water Service to Curb Stop or New 1-IN Water Service Extended to Connection Point	EA	61	\$250.00	\$15,250.00	\$461.00	\$28,121.00	\$1,000.00	\$61,000.00	\$875.00	\$53,375.00
	66	LDPB-10	5-IN Sidewalk Removal and Replacement	SF	2300	\$4.00	\$9,200.00	\$4.10	\$9,430.00	\$3.50	\$8,050.00	\$9.50	\$21,850.00
	67	LDPB-11	6-IN Concrete Sidewalk/Driveway Apron Removal and Replacement	SF	1500	\$4.25	\$6,375.00	\$4.95	\$7,425.00	\$3.50	\$5,250.00	\$10.25	\$15,375.00
	68	LDPB-12	6-IN Gravel Driveway Restoration	SF	200	\$5.00	\$1,000.00	\$0.75	\$150.00	\$1.00	\$200.00	\$1.50	\$300.00
	69	LDPB-13	Curb and Gutter Removal and Replacement	LF	600	\$40.00	\$24,000.00	\$30.75	\$18,450.00	\$25.00	\$15,000.00	\$60.00	\$36,000.00
	70	LDPB-14	4-IN Asphalt Pavement Restoration	SY	800	\$40.00	\$32,000.00	\$55.00	\$44,000.00	\$32.25	\$25,800.00	\$65.00	\$52,000.00
	71	LDPB-15	Concrete Stairs Removal and Replacement	SF	60	\$50.00	\$3,000.00	\$17.00	\$1,020.00	\$10.00	\$600.00	\$115.00	\$6,900.00
	72	LDPB-16	Concrete Retaining Wall Removal and Replacement	VSF	30	\$65.00	\$1,950.00	\$106.00	\$3,180.00	\$1.00	\$30.00	\$125.00	\$3,750.00
	73	LDPB-17	Field Stone Retaining Wall Removal and Replacement	SF	50	\$60.00	\$3,000.00	\$46.00	\$2,300.00	\$1.00	\$50.00	\$70.00	\$3,500.00
	74	LDPB-18	Modular Concrete Block Retaining Wall Removal and Replacement	SF	50	\$40.00	\$2,000.00	\$46.00	\$2,300.00	\$1.00	\$50.00	\$65.00	\$3,250.00
	75	LDPB-19	Terrace Tree and Stump Removal 1-IN to 10-IN DIA at Breast Height	EA	30	\$50.00	\$1,500.00	\$280.00	\$8,400.00	\$100.00	\$3,000.00	\$400.00	\$12,000.00
	76	LDPB-20	Terrace Tree and Stump Removal 11-IN to 18-IN DIA at Breast Height	EA	12	\$60.00	\$720.00	\$640.00	\$7,680.00	\$1.00	\$12.00	\$1,100.00	\$13,200.00
	77	LDPB-21	Terrace Tree and Stump Removal 19-IN to 30-IN DIA at Breast Height	EA	12	\$70.00	\$840.00	\$1,560.00	\$18,720.00	\$1.00	\$12.00	\$1,800.00	\$21,600.00
	78	LDPB-22	Terrace Tree and Stump Removal 31-IN or Greater DIA at Breast Height	EA	4	\$100.00	\$400.00	\$2,320.00	\$9,280.00	\$1.00	\$4.00	\$2,600.00	\$10,400.00
	79	LDPB-23	Private Tree and Stump Removal 1-IN to 10-IN DIA at Breast Height	EA	1	\$50.00	\$50.00	\$280.00	\$280.00	\$1.00	\$1.00	\$700.00	\$700.00
	80	LDPB-24	Private Tree and Stump Removal 11-IN to 18-IN DIA at Breast Height	EA	1	\$60.00	\$60.00	\$640.00	\$640.00	\$1.00	\$1.00	\$1,800.00	\$1,800.00
	81	LDPB-25	Private Tree and Stump Removal 19-IN to 30-IN DIA at Breast Height	EA	1	\$70.00	\$70.00	\$1,560.00	\$1,560.00	\$1.00	\$1.00	\$2,500.00	\$2,500.00
	82	LDPB-26	Private Tree and Stump Removal 31-IN or Greater DIA at Breast Height	EA	1	\$150.00	\$150.00	\$2,320.00	\$2,320.00	\$1.00	\$1.00	\$2,800.00	\$2,800.00
Lead Service Line Replacement-Miscellaneous Items							\$119,500.00		\$142,435.00		\$154,850.00		\$263,800.00
	83	MISC-1	Hydro-Excavation / Pothole Within City Street, Driveway, or Driveway Apron (For Existing Water Service Material Determination)	EA	75	\$400.00	\$30,000.00	\$410.00	\$30,750.00	\$575.00	\$43,125.00	\$1,100.00	\$82,500.00
	84	MISC-2	Hydro-Excavation / Pothole at Curb Stop (For Existing Water Service Material Determination)	EA	215	\$200.00	\$43,000.00	\$220.00	\$47,300.00	\$325.00	\$69,875.00	\$400.00	\$86,000.00
	85	MISC-3	Hydro-Excavation / Pothole-Private Property Between Building Foundation and Right-of-Way (For Existing Water Service Material Determination)	EA	50	\$250.00	\$12,500.00	\$330.00	\$16,500.00	\$350.00	\$17,500.00	\$550.00	\$27,500.00
	86	MISC-4	Install Repair Clamp on 4-IN Water Main to Address Existing Corporation Stop Leaking at Main	EA	10	\$1,000.00	\$10,000.00	\$1,819.00	\$18,190.00	\$500.00	\$5,000.00	\$2,600.00	\$26,000.00
	87	MISC-5	Install Repair Clamp on 6-IN Water Main to Address Existing Corporation Stop Leaking at Main	EA	10	\$1,250.00	\$12,500.00	\$1,840.00	\$18,400.00	\$525.00	\$5,250.00	\$2,800.00	\$28,000.00
	88	MISC-6	Install Repair Clamp on 8-IN Water Main to Address Existing Corporation Stop Leaking at Main	EA	2	\$1,500.00	\$3,000.00	\$1,860.00	\$3,720.00	\$550.00	\$1,100.00	\$2,900.00	\$5,800.00
	89	MISC-7	Abandon Existing PUBLIC Water Service at Main If New Connection Location is Different Than Existing Connection Location (If Authorized by OWNER)	EA	5	\$1,000.00	\$5,000.00	\$1,240.00	\$6,200.00	\$2,500.00	\$12,500.00	\$800.00	\$4,000.00
	90	MISC-8	Utility Insulation	SF	500	\$7.00	\$3,500.00	\$2.75	\$1,375.00	\$1.00	\$500.00	\$8.00	\$4,000.00
Base Bid Total:							\$4,615,800.00		\$5,441,404.30		\$5,491,239.00		\$6,087,625.00

**RESOLUTION FROM THE UTILITIES COMMITTEE TO THE
STOUGHTON COMMON COUNCIL**

Authorizing and directing the proper City official(s) to enter into an agreement with Five Star Energy Services, LLC for the 2021 Lead Water Service Replacements Contract 4-2021.

Committee Action: Utilities Committee recommended Common Council approval – 0.
Finance Committee recommended Common Council approval – 0.

Fiscal Impact: \$4,615,800.00

File Number: R--2021

Date Introduced: March 23, 2021

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

WHEREAS, the bid for the 2021 Lead Water Service Replacements Contract 4-2021 includes the replacement of approximately 660 lead water services including the following approximate quantities: 29,000 linear feet of 1-inch copper water service installation using trenchless methods on public and private property, interior plumbing reconnections, pavement restoration, curb and gutter and sidewalk replacement, turf restoration, tree removal, and related miscellaneous work, and

WHEREAS, the project is expected to be funded in part by a loan from the Wisconsin Safe Drinking Water Loan Program, and

WHEREAS, bids for Contract 4-2021 were opened on March 18, 2021 with three competitive bids being received, and

WHEREAS, Five Star Energy Services, LLC of Big Bend, Wisconsin, was the apparent low bidder, with a total bid of \$4,615,800.00, and

WHEREAS, Strand Associates, Inc., Stoughton Utilities' contracted engineering consultant, has reviewed the bids and supports awarding the contract to the low responsible bidder, Five Star Energy Services, LLC, and

WHEREAS, your Stoughton Utilities Committee met on March 22, 2021 to consider this request, approved the request, and recommends approval and the adoption of the corresponding resolution, and

WHEREAS, your Stoughton Finance Committee met on March 23, 2021 to consider this request, approved the request, and recommends approval and the adoption of the corresponding resolution, now therefore

BE IT RESOLVED by the Common Council of the City of Stoughton that the proper city official(s) be hereby directed to enter into an agreement with Five Star Energy Services, LLC for the 2021 Lead Water Service Replacements Contract 4-2021 for the bid amount of \$4,615,800.00, conditioned upon approval as to form by the Stoughton City Attorney.

Council Action: **Adopted** **Failed** **Vote:** _____

Mayoral Action: **Accept** **Veto**

Mayor Timothy Swadley

Date

Council Action: _____ **Override** **Vote:** _____



600 South Fourth Street P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Status Update: Lead Service Line Replacement Programs

Stoughton Utilities staff continues to work on numerous efforts in response to our 2019 lead action level exceedance. Many of these efforts have either been completed and reported on in last status updates, or are currently underway and associated with the development of a lead service line replacement program for both public and privately-owned lead service lines.

Staff has been notified by the Wisconsin Department of Natural Resources (WDNR) that our application for funding assistance from the State of Wisconsin Environmental Improvement Fund, and the required Priority Evaluation and Ranking Formula documents, has been approved. Stoughton Utilities will receive funding assistance to replace all privately-owned lead and galvanized water service lines in the City of Stoughton in 2021.

Staff continues to identify lead service lines inside the home by going door to door in Stoughton's historic and older neighborhoods dating to pre-1960. This effort is to ensure all lead is located, including where service connection repairs may have been made using copper pipe at the curb stop valve. It also provides us with a good opportunity to answer customer's questions, as well as locate metering installation that may need to be corrected during the 2021 project. Approximately 1,300 homes are anticipated to be inspected, and we expect approximately half to have a lead water service line.

Staff has begun the process of personally serving notifications of required service line replacement to all property owners that have been confirmed to have a private lead service line. This process of serving notification is a legal requirement as part per Stoughton's ordinance that declares lead a public nuisance that must be removed. Staff is also using this process to inform property owners of the upcoming project, potential grant funding, obtain signed authorizations to replace service lines on private property, and answer any questions that the homeowner might have.

Following service excavation and visual verification efforts, staff continues to update our GIS data to reflect the verified data. A map of known and presumed lead service lines is available to be viewed by the general public online at stoughtonutilities.com/lead.

Our lead public education program continues. Staff continues to post informational and educational materials about lead service lines, service line flushing, and service line material verifications on our website and social media pages. Our lead information page on the website continues to be reviewed and updated regularly. A press release regarding the WDNR grant funding approval was distributed to the Stoughton Courier Hub. Stoughton Utilities hosted a Facebook Live event for the public to discuss the planned 2021 citywide lead service line replacement project, presenting general background information about lead service lines, the dangers of lead, grant funding opportunities, and project details and timelines.



600 South Fourth Street P.O. Box 383
Stoughton, WI 53589-0383

Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jamin Friedl, CPA
City of Stoughton Finance Director

Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Simplified Regulatory Review of Water Utility Rates

Staff has conducted a thorough review of our current water utility rates and has determined that the water utility retail rates have fallen below adequate levels. As a result, it necessary to prepare a simplified application to the Public Service Commission of Wisconsin (PSC) for authority to increase water rates by 3%. This increase will bring the total water bill for an average residential customer, including public fire protection, to \$28.72 per month, a monthly increase of \$0.84.

This application was included in the presentation of the 2021 water utility budget to the Utilities Committee, Committee of the Whole, and Common Council that was subsequently approved by each body.

The PSC recommends that water utilities regularly file simplified rate applications in between conventional full regulatory rate reviews to cover inflationary increases in basic operational and construction expenses. During a simplified rate review, the PSC applies a rate increase factor and benchmark rate of return factor that has been revised for the current calendar year, and combines this with information from Stoughton Utilities PSC Annual Report filing to determine eligibility.

Simplified rate cases are allowed annually within five years of the effective date of the last conventional rate review, and are typically reviewed and approved with 30 days of submittal. A simplified rate case does not require a public hearing, however notification of the filing will be provided to all customers via billing inserts and email notices.



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Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Brian R. Hoops
Stoughton Utilities Assistant Director

Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Customer Collections Status Report

SU is committed to providing essential health and public safety services to the community. The COVID-19 public health crisis brought about very uncertain times as our community experienced mandatory business shutdowns and stay at home orders during the initial months, and rising infection rates as those orders were relaxed. Throughout the past year of the pandemic, SU's commitment to the community extended to providing continued service to all residents and businesses, regardless of payment status. We also provided economic stimulus to community through our Community Recharge incentive program.

From the start of when the public health crisis became apparent in March 2020, Stoughton Utilities has:

1. Waived all late payment penalties for customers that did not make timely payment for service provided during the initial months when full shutdown orders were in place,
2. Offered deferred payment agreements for all customers, including residential, commercial, and industrial customers, that had experienced economic hardships affecting their ability to pay,
3. Suspended all notices of potential service disconnection for residential customers, and all service disconnection workorders for non-residential customers, except where a threat to public health and safety existed, and
4. Partnered with the Stoughton Chamber of Commerce to fund a COVID-19 Community Recharge program that injected over \$36,000 into the local economy through the purchase of Stoughton Chamber Bucks.

Between March 12, 2020 and June 11, 2020, the Wisconsin Public Service Commission (PSC) ordered and maintained a suspension of all electric and water service disconnections. The suspension was lifted for all customers on June 11, 2020 with disconnections planned to resume on July 15, 2020. At that time, Stoughton Utilities developed a plan to phase in a return to full collection activities, with service disconnections scheduled to occur on August 26.

At the meeting of the Stoughton Utilities Committee in July, staff discussed our planned approach to phase-in customer collection activities, balancing the economic health of the utility and the need to recover the delinquencies to minimize the impact on all rate payers with the needs of our delinquent rate payers.

These collection activities began as scheduled, and through July and August 2020 we experienced our first decrease in 30+ day delinquencies since September 2019.

On July 23, 2020, the PSC voted to extend the residential electric and water service disconnection moratorium until September 1, 2020. Non-residential service disconnections were allowed to resume. The PSC continued to act monthly to extend the residential service disconnection moratorium until the annual cold-weather disconnection moratorium began. At that time, the PSC voted to extend the service disconnection moratorium for electric and water service disconnections through April 15, 2021.

Throughout the past year, Stoughton Utilities has complied with all PSC reporting requirements that were created due to COVID-19, including monthly financial reporting, quarterly delinquency reporting, and submissions of multiple disconnection and deferred payment arrangement plans.

The PSC will review the topic again at their March 18, 2021 regular open meeting, and at that time will determine if utilities are allowed to resume the disconnection of residential electric and water services on or after April 15 when the cold-weather disconnection moratorium ends.

Delinquent Balances:

As of March 1, 2021, the annual average delinquent amount owed on outstanding utility account balances (active and closed) are as follows:

Days Past Due	Current Delinquencies	When compared to March 1 of...					
		2020	2019	2017	2015	2013	2011
30-90	\$ 86,695	▲ 3%	▲ 18%	▲ 28%	▲ 3%	▲ 18%	▼ 1%
90+	\$ 96,367	▲ 626%	▲ 174%	▲ 207%	▲ 192%	▲ 146%	▲ 1%

At this time, we have not pursued residential electric service disconnections since the start of the cold-weather disconnection moratorium on November 1, 2019, and current delinquencies have been allowed to accrue over a 17-month period. As a result of this unprecedented inaction, there has been a very significant increase in delinquencies compared to prior years. In all past years listed above, the comparable data followed monthly delinquent account notification and disconnection.

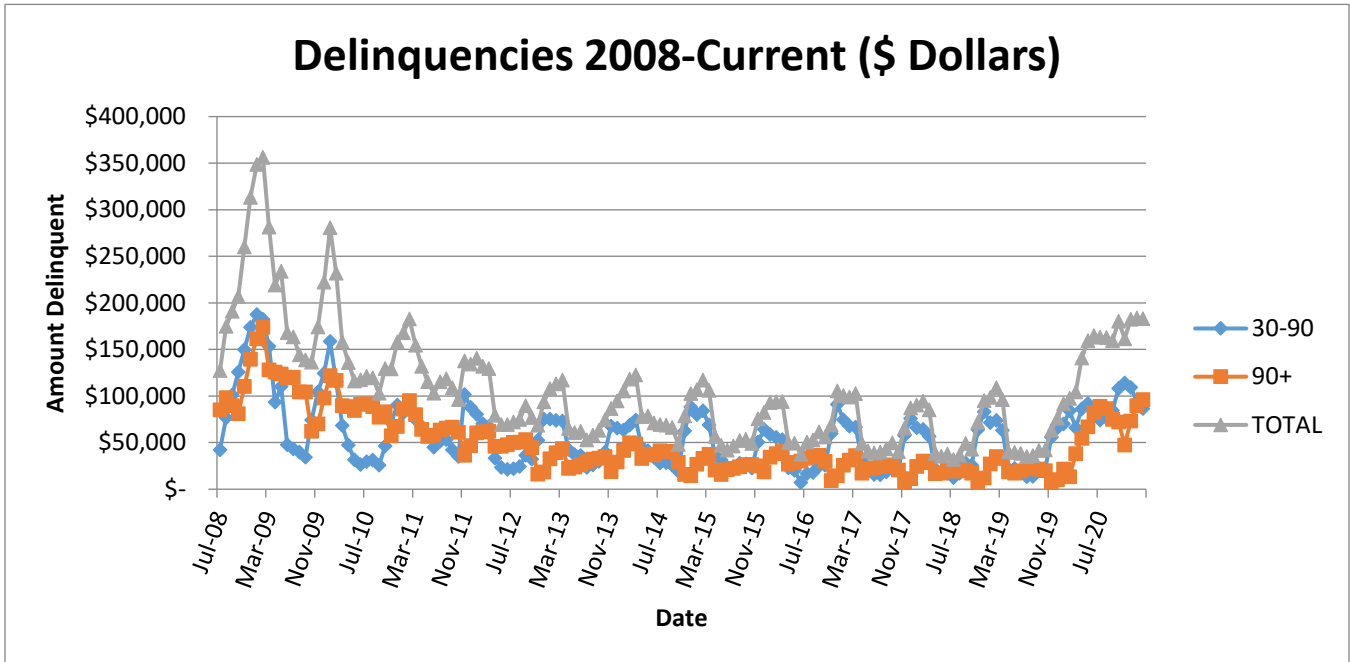
In the chart above, it is observed that new 30-90 day delinquencies have grown. In a typical year, seeing an average 20% increase would be alarming to staff, however given the unprecedented nature of the elimination of nearly all collection activities due to COVID-19, the 30-90 day increases are not too alarming. These figures show that a small amount of customers that previously paid their bills promptly are now

The substantial increase in 90+ day delinquencies is alarming. These increases show that the customers who are not paying promptly are carrying very sizable balances that have continued to increase since last November 2019.

Days Past Due	Current Delinquencies	When compared to the 1 st of ...					
		January 2021	November 2020	September 2020	July 2020	May 2020	March 2020
30-90	\$ 63,394	▼ 21%	▼ 20%	▲ 14%	▲ 5%	▲ 1%	▲ 3%
90+	\$ 96,079	▲ 32%	▲ 34%	▲ 11%	▲ 17%	▲ 73%	▲ 626%

When comparing current delinquencies to recent months, it can be seen that new 30-90 day delinquencies increased over the summer and fall 2020 months, but have since tapered off and begun to decrease. remain

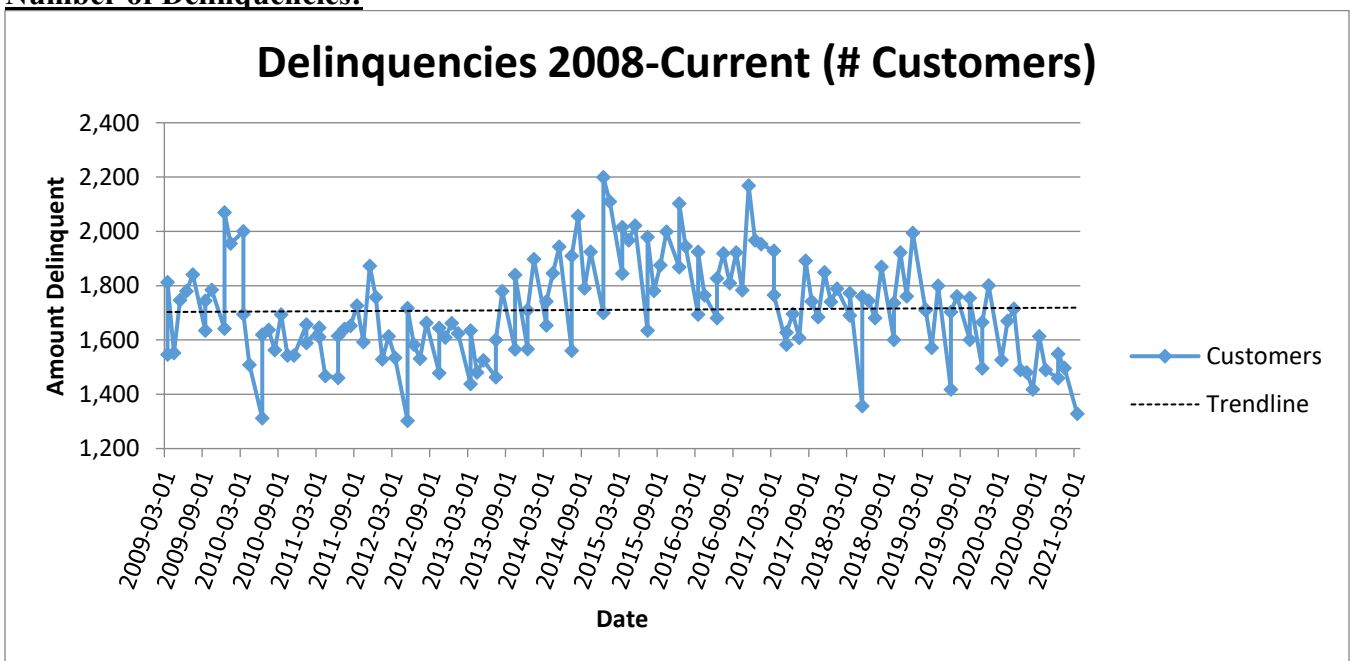
about steady and show typical fluctuations, indicating that most delinquent customers address their late payments in a timely manner. However, 90+ day delinquencies continue to increase as the long-term habitually delinquent customers allow their balances to grow.



The graph of total delinquencies over time provides a picture of the narrative provided above. In March through June 2020, delinquencies rose unchecked during the start of the pandemic while we experienced a near total economic shutdown. Over the summer months, delinquencies plateaued as the economy began to slowly reopen and SU was able to perform basic collection activities such as ongoing disconnection warnings; the lack of disconnections being performed prevented the carried balances from decreasing.

In late fall 2020 at the start of the cold weather disconnection moratorium, delinquent balances again rose, before plateauing for the remainder of the winter months, matching winter payment trends of past years. The one month decrease shown in November 2020 was the result of the annual taxroll process.

Number of Delinquencies:



Of the 1,328 accounts that were delinquent following the February 28, 2021 due date, 1,197 carried a balance forward to their March billing statement.

Carrying Balances	When compared to ...					
	January 2021	November 2020	September 2020	July 2020	May 2020	March 2020
1,197	1,241 ▼ 4%	1,255 ▼ 5%	1,206 ▼ 1%	1,022 ▲ 17%	998 ▲ 20%	1,357 ▼ 12%

The chart above shows that the number of customers currently delinquent falls below most months during the past year. The July 2020 decrease in customers carrying forward a balance is due to us resuming collections activities on July 1 and receiving a positive and quick payment response to our initial notifications, and the May 2020 decrease is due to the receipt of a large batch of supplemental energy assistance payments that were issued to customers that received assistance payments earlier in the heating season.

Of the accounts that were opened prior to the COVID-19 pandemic, were delinquent in March, and carried balances into the March billing cycle, 83% had previously carried delinquencies prior to the COVID-19 pandemic.

As of March 16, 2021, there are 492 residential and 44 non-residential customer accounts that remain delinquent and would be considered eligible for disconnection. 17% of these customers have been determined to be low income (60% of the state median income). Of the total residential customers, 76% have delinquent balances under \$500. Of those with balances over \$500, 15% are between \$500 and \$1,000, 7% are between \$1,000 and \$2,000, and 2% are greater than \$2,000. The highest delinquent balance is \$2,440.

Energy Assistance Funding:

Energy assistance funds remain available to income-qualified electric customers through the Wisconsin’s Home Energy Assistance Program (WHEAP). WHEAP assistance funding is available annually between October and May. In 2020, the program was also available throughout the summer months in response to COVID-19. This assistance program is funded in part by Stoughton Utilities, which contributes 50% of our collected Commitment to Community fund to the program. For 2021, maximum income eligibility is set at 60% of the state’s median income level: \$29,900 for a single person household, \$39,000 for a two person household, \$57,500 for a four person household, etc. In response to COVID-19, this program has changed how they review a customer’s income, basing eligibility on most recent monthly income rather than quarterly income.

WHEAP also offers supplemental “crisis funding” which is provided in addition to the standard heating season benefit. Crisis funding is provided to customers who are facing disconnection and have experienced an unexpected change in their life. Examples include a change in family situation, a required move, unexpected financial expenses, loss of a job, medical issues in the home, etc.

The State of Wisconsin Department of Administration has created a new assistance program for tenant customers, called the Wisconsin Emergency Rental Assistance Program. This program is intended to help customers stay in their homes by providing assistance for rent payments and utility bill payments. Eligible households may receive up to 12 months of assistance to help with current and or overdue utility bills. This program is available to tenant customers at or below 80% of the Dane County median income, and customers can apply using the same methods used to apply for the WHEAP funding. An informational pamphlet for this program was included in the monthly Communications section of the meeting packet.

Stoughton Utilities has been promoting these assistance programs throughout the COVID-19 pandemic, with heavy promotion throughout the winter months. We have included information on our billing statements, as a billing statement insert, as an insert to our monthly past due notices, as a paid advertisement in the Stoughton Courier Hub, in the Stoughton Tower times winter 2020 and spring 2021 editions, on our social media, and on our website. We will continue promoting these assistance programs as collection activities resume, and will provide information to all customers at risk of disconnection during our ongoing conversations.

Upcoming Collection Activity:

At this point in time, it is anticipated that the Wisconsin PSC will allow utilities to resume electric and water service disconnections as of April 15, 2021, the typical end of the annual cold weather disconnection moratorium. Stoughton Utilities has filed disconnection plans for the electric utility and the water utility with the PSC as required under their October 2020 order.

Unpaid utility bills drive up costs for the whole community due to the fact that any balance that is uncollectable is essentially recovered from the entire customer base through future rates. It is Stoughton Utilities' goal to do whatever we can to collect unpaid bills, while also helping customers avoid service disruptions for nonpayment by working with them to establish a deferred payment agreement (DPA).

SU will continue to offer DPAs to all eligible residential to allow the customer time to spread payment of their delinquent balance out over a period of time by making regular installment payments. A down payment will be required when entering into a payment agreement. Each agreement is discussed with the customer and negotiated as a personalized agreement that meets the customer's individual financial situation and schedule. Each agreement will be custom tailored to their financial situation, with the down payment, length of term, and size of installment payments determined based on a number of factors, including time since last payment, size of delinquent balance, current income, tenant status, medical conditions, successful completion of past deferred agreements, and other factors. Our initial DPA request will be for 1/3 of the delinquent balance to be paid up front with the remainder due within 90 days, however this ask will be modified as needed based on the customer's individual circumstances.

For those customers that may not be eligible for a formal DPA, we will offer a variety of short-term payment extension options. DPAs may be considered for non-residential customers, determined on a case-by-case basis using payment history, size of delinquent balance, and requested payback period.

Throughout the winter months, we have been mailing monthly notices to all delinquent customers. Prior to any disconnection, we will mail their monthly billing statement, followed by a delinquency notification at least 10 days prior. In April, it is scheduled for 14 days prior to the date of scheduled disconnection. Two days prior to disconnection we will provide an automated warning call, and a second automated final warning call will be made the day before disconnection. Prior to the actual disconnection taking place, the service technician will attempt to make personal contact.

Disconnection will not occur if we are made aware of any illness or medical condition, including an active COVID-19 diagnosis, or if our employees notice any potential medical condition during our conversations or visits. In these situations, an automatic 21-day hold will be placed on the disconnection, during which time we will continue to discuss alternate payment arrangements with the customer, direct them to financial assistance programs and organizations and follow through with them to ensure their application, and discuss power loss contingency plans. In the case of a COVID-19 diagnosis, that 21-day hold will be automatically extended for as long as an active infection exists in the customer's home. If we are notified of a medical condition in the home following disconnection, an immediate reconnection of service will occur.



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Serving Electric, Water & Wastewater Since 1886

Date: March 18, 2021

To: Stoughton Utilities Committee

From: Jill M. Weiss, P.E.
Stoughton Utilities Director

Subject: Utilities Committee Future Agenda Item(s)

This item appears on all agendas of Committees of the City of Stoughton.