



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: Thursday, October 17, 2024 at 5:15 p.m.
Location: Edmund T. Malinowski Board Room, Stoughton Utilities Administration Office
600 South Fourth Street, Stoughton, Wisconsin
Optional Virtual Participation: [GoToMeeting ID 867-731-357](#)
Members: Citizen Member Carl Chenoweth, Citizen Member David Erdman (Chair), Alderperson Regina Hirsch, Alderperson Greg Jensen, Alderperson Daniel Payton, Mayor Tim Swadley, Citizen Member Dustin Thoren (Vice-Chair)

MEETING AGENDA:

CALL TO ORDER

ROLL CALL AND VERIFICATION OF QUORUM

CERTIFICATION OF COMPLIANCE WITH OPEN MEETINGS LAW

PUBLIC COMMENTS

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 September 30, 2024 Regular Utilities Committee Meeting
- b. Stoughton Utilities Payments Due List Report
- c. Stoughton Utilities Financial Summary
- d. Stoughton Utilities Statistical Report
- e. Stoughton Utilities Activities Report
- f. Communications

OLD BUSINESS

1. Status of Committee Recommendation(s) to the Stoughton Common Council (**Discussion**)

NEW BUSINESS

2. Stoughton Utilities Proposed 2025 Operating Budget (**Action**)
3. Filing for Regulatory Review of Water Utility Rates (**Action**)
4. 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
Stoughton Utilities Finance Manager Shannon Statz

cc: Stoughton City Attorney Rick Manthe
Stoughton Common Council Members
Stoughton City Clerk Candee Christen
Stoughton Leadership Team
Stoughton Library Administrative Assistant Sarah Monette
Stoughton Utilities Billing & Metering Supervisor Erin Goldade
Stoughton Utilities Education & Outreach Coordinator Brandi Yungen
Stoughton Utilities Electric System Supervisor Ryan Jefferson
Stoughton Utilities Water System Supervisor Kent Thompson
Stoughton Utilities Wastewater System Supervisor Kevin Hudson
Stoughton Utilities & WPPI Energy Services Manager Darren Jacobson
O'Rourke Media Publications – Stoughton Courier Hub

REMOTE CONNECTION INSTRUCTIONS: Pursuant to City of Stoughton Common Council Rule 19, members of the committee and members of the public may attend this meeting either in person or by virtual means. If participating virtually, please join the meeting from your computer, tablet or smartphone using the following URL:

<https://meet.goto.com/867731357>

You can also dial in using your phone at (872) 240-3212 using access code: 867-731-357.

ATTENTION COMMITTEE MEMBERS: Two-thirds of members are needed for a quorum (five members). The committee may only conduct business when a quorum is present. If you are unable to attend the meeting, please contact Jill Weiss at (608) 877-7423 via email at JWeiss@stoughtonutilities.com, or Brian Hoops 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 individuals through appropriate aids and services. For information, or to request such assistance, please contact Stoughton Utilities prior to the start of the meeting 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, September 30, 2024 – 5:30 p.m.

Stoughton, WI

Page No. 1

Location: Edmund T. Malinowski Board Room, Stoughton Utilities Administration Office
600 South Fourth Street, Stoughton, Wisconsin
Optional Virtual Participation: GoToMeeting ID 270-173--021

Members Present: Citizen Member Carl Chenoweth, Citizen Member David Erdman (Chair), Alderperson Greg Jensen, Alderperson Regina Hirsch, Alderperson Daniel Payton, Mayor Tim Swadley

Excused: Citizen Member Dustin Thoren (Vice-Chair)

Absent: None

Others Present: Stoughton Utilities Assistant Director Brian Hoops, Stoughton Utilities Finance Manager Shannon Statz, Stoughton Utilities Director Jill Weiss

Call to Order: Chairperson Erdman called the regular Stoughton Utilities Committee Meeting to order at 5:30 p.m. Chenoweth, Erdman, Hirsch, Jensen, and Payton were present in person. Swadley attended virtually.

Verification of Quorum: The chair verified that a quorum of the committee membership was present.

Certification of Compliance with Open Meetings Law: Weiss certified that the meeting had been properly noticed in compliance with open meetings law.

Public Comments: There were no public comments.

Utilities Committee Consent Agenda: Stoughton Utilities staff presented and discussed the Stoughton Utilities Committee consent agenda items. A brief staffing update was provided, and staff welcomed journeyman lineworker Collin Cadotte, water operator Dustin Kloos, and apprentice lineworker Paul Schmeling to Stoughton Utilities. Discussion followed.

Motion by Chenoweth, the motion seconded by Jensen, to approve the following consent agenda items as presented:

- a. Minutes of the August 19, 2024 Regular Utilities Committee Meeting
- b. Stoughton Utilities Payments Due List Report
- c. Stoughton Utilities Financial Summary
- d. Stoughton Utilities Statistical Report
- e. Stoughton Utilities Activities Report
- f. Communications

The motion carried unanimously 6 to 0.

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 recently approved and/or placed on file by the Stoughton Common Council:

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, September 30, 2024 – 5:30 p.m.

Stoughton, WI

Page No. 2

Consent Agenda:

1. Minutes of the June 17, 2024 Regular Utilities Committee Meeting
2. Stoughton Utilities Payments Due List Report
3. Stoughton Utilities Quarter 2 2024 Investment Summary
4. Stoughton Utilities Financial Summaries
5. Stoughton Utilities Statistical Report
6. Stoughton Utilities Activities Reports

Business:

1. Aqueous Film-Forming Foam (AFFF) Product Liability Litigation (MDL 2873)

Discussion followed.

Stoughton Utilities Facilities Needs Assessment: Stoughton Utilities staff informed the committee that at its May 20, 2024 meeting, the committee began discussions with staff regarding utility facility needs, potential future uses for the current Stoughton Utilities Administration Building, and the ownership of land adjacent to the Stoughton Utilities West Substation. The committee continued this discussion, with the committee expressing considerable interest in continuing to explore a new facility to be built on land currently owned by the utility.

Staff presented information about several other communities that have either recently completed or are currently undergoing the construction of new facilities for their municipal utilities, including approximate sizes, completion years, and construction costs. These facilities ranged from 29,000 sq. ft. to 89,000 sq. ft., were constructed between 2018 and 2024, and had project costs ranging from \$8.9 million to \$22.5 million.

Staff shared that the proposed draft five-year capital improvement plan included \$22 million in 2026 for construction of a new facility, and that staff believed this to be a conservative estimate for preliminary budgeting and rate forecasting purposes. Chenoweth recommended that \$500,000 be deducted from the facility construction costs in 2026 and be moved to 2025 for building design and engineering expenses.

Staff informed the committee that an in-depth discussion on the topic related to costs, timelines, and potential rate impacts will occur during the preview of the 2025 operating budget and presentation and approval of the five-year capital improvement plan during future agenda items.

Preview of the Stoughton Utilities Proposed 2024 Budget: Stoughton Utilities staff presented and discussed preliminary projections that will be used to create the proposed 2025 electric, water, and wastewater budgets. The committee was presented with two budget pictures: one that assumes the construction of a new utility facility in 2026, and a second that did not include a new building within the next five years and where the Stoughton Utilities Administration Building would continue to house utility operations. Staff explained that all rate and debt projections assume a new build in 2026.

Staff referred to the earlier discussion and reminded the committee that at this time there are many unknowns surrounding the current facility and if/when the utility may need to relocate. It was explained that an amount of \$22 million has been added to reflect the potential cost of a new building in 2026, and again underscored that this was a conservative estimate for budgeting purposes that was based on construction costs for a facility in a nearby community. Discussion followed.

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, September 30, 2024 – 5:30 p.m.

Stoughton, WI

Page No. 3

Staff explained that the 2025 budget assumes a reduction in sales in all three utilities. The forecasts used for preparation of the budget suggest that while the utility may see slight increases in consumption in 2024, trends indicate that all three utilities should expect continued conservation. Staff explained there are several large customers that anticipate reducing their usage through the installation of large solar arrays and significant water conservation efforts, and accordingly preparing for a reduction in total usage seems appropriate. Discussion followed, including committee members commenting on the community's growth and conservation efforts and the impacts both have on the utility.

Staff explained that at the time the 2024 water utility budget was approved, the rate of return authorized by the Public Service Commission of Wisconsin (PSCW) was set at 4.9%. Since that time, the PSCW has increased the standard authorized rate of return to 6.2%. Staff explained the effects this change has on rate projections, and highlighted that the projected water utility rate increases over the next five years assume a 6.2% authorized rate of return. Discussion followed.

Staff then moved to a discussion regarding utility staff wages and shared that the draft budget includes a 3% across-the-board increase for all employees in 2025. It was explained that earlier drafts of the budget included a continuation of the market-based compensation reviews that were approved in the 2024 operating budget, but was later adjusted to include the across-the-board approach that matched what is planned to be proposed in the 2025 City of Stoughton operating budget. Discussion followed on the topic of wages. Staff informed the committee that they have received feedback from their utility management peers in nearby communities that wage increases of 3-4% are planned to be incorporated into their budgets. Additional discussion followed.

Staff presented early details of a proposal to engage a third-party firm to conduct a review of the previously approved market-based wage review methodology and wage structure and recommend a utility compensation policy that will be approved by the Utilities and Personnel Committees and Common Council to guide future market-based wage reviews. Staff explained the goal was to have these put in place in the first half of 2025 and to receive the first third-party wage recommendations prior to the start of the preparation of the draft 2026 operating budget. Staff further explained that it is ideal for market-based wage reviews and adjustments to occur annually, as there is significant competition in the local utility labor market where staff could easily change employers with the need for relocation, and that ensuring the utility pays is paying an appropriate wage comparable with the market will reduce the pressures of losing staff while also allowing for employee retention and recruitment.

Discussion followed, including topics such as employee morale and equity. Staff emphasized that market adjustments will not typically be equal across the board, as there are always different demands for different positions in the regional market, but these demands shift over time and an appropriate market-based wage review will help reduce the likelihood of disgruntled employees. Staff discussed how fairness and inequity can be addressed through market-based wage adjustments by avoiding concerns that some positions are overpaid while others are underpaid, and that it is important that an employee can trust the wage review process and verify that their wage is competitive with the regional market if they happen to go and consider similar employment elsewhere. It was also discussed that education and messaging is important, because while two positions in different divisions within the utility or departments within the city may have similar job titles, a comparison may not be accurate due to additional details contained within the full list of job duties, responsibilities, and required training and education. Discussion followed.

Staff presented the anticipated future rate increases and debt issuances for each utility and informed the committee that they are the result of a continued aggressive water and sewer main replacement program and construction of a new facility. Current wage projections indicate a total increase of \$49.50 per month at the end of a five-year period for the average residential customer living within the City of Stoughton. Staff shared that

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, September 30, 2024 – 5:30 p.m.

Stoughton, WI

Page No. 4

these increases are in line with increases that have been and continue to be implemented across Dane County, and presented a rate comparison of current water and wastewater rates of Stoughton and its surrounding communities. Within the rate comparison, staff highlighted where the utility's current and next-year projected rates fell in comparison, demonstrating that the proposed rates remain competitive. Discussion followed.

Staff further underscored the utility's commitment to reviewing cost-saving opportunities to limit rate impacts to customers wherever possible, including by not adding new positions, allowing vacant positions to remain unfilled, reducing spending wherever possible, and thinking outside the box to utilize existing resources and technologies more efficiently. Discussion followed, and the committee was favorable to the proposed budget, including the forecasted consistent increases in rates.

Discussion occurred regarding transparency about the rates and maintaining the ongoing customer communications regarding rates. Energy assistance funding opportunities were also discussed, and staff informed the committee that the utility has increased its communications on the topic throughout 2024 after it was learned that less than half of eligible customers had applied for assistance in prior years. Discussion followed.

Staff informed the committee that following the meeting the budget calculations will be finalized and drafted into a proposed Stoughton Utilities 2025 operating budget that will be presented to the committee at their October meeting for review, approval, and recommendation to the Stoughton Common Council.

Stoughton Utilities Proposed Five Year (2024 – 2028) Capital Improvement Projects (CIP) Program:

Stoughton Utilities staff presented and discussed the proposed five-year (2025-2029) Capital Improvement Projects (CIP) program. Staff informed the committee that the CIP was developed by reviewing system engineering studies, regulatory agency requirements, potential joint projects with other Stoughton Departments and the Wisconsin Department of Transportation to yield economy of scale savings, and development-lead projects. Significant projects, including water and sanitary sewer main replacement projects, were highlighted. Discussion followed.

Jenson left the meeting at 7:26 p.m. It was confirmed that a quorum of the committee was still in attendance. Discussion continued.

Chenoweth renewed his earlier recommendation that \$500,000 be deducted from the facility construction costs in 2026 and added to 2025 for facility design and engineering expenses.

Motion by Chenoweth, the motion seconded by Hirsch, to approve the Stoughton Utilities five-year (2025-2029) Capital Improvement Projects (CIP) Plan with \$500,000 added to 2025 for facility design and engineering expenses and the 2026 facility construction reduced to \$21.5 million, and recommend approval of the modified document to the Stoughton Common Council at their October 22, 2024 and November 5, 2024 meetings. The motion carried unanimously 5 to 0.

Wastewater Treatment Facility and Sanitary Sewer Collection System 2022 Compliance Maintenance

Annual Report (CMAR): WDNR Response: Stoughton Utilities staff presented an update to our annual CMAR filing, which was approved by the Utilities Committee and Common Council in May and filed with the Wisconsin Department of Natural Resources (WDNR) in June. The WDNR has received and approved our filing, providing favorable comments, and no further action is needed until the 2024 CMAR filing that will occur in June 2025.

Utilities Committee Future Agenda Items: Stoughton Utilities staff informed the committee that staff is currently working to finalize the Stoughton Utilities 2025 operating budget which is planned for presentation to

DRAFT STOUGHTON UTILITIES COMMITTEE REGULAR MEETING MINUTES

Monday, September 30, 2024 – 5:30 p.m.

Stoughton, WI

Page No. 5

the committee and approval in October, and a review of the previously budgeted 2024 simplified water rate case filing. A summary of recent customer satisfaction survey results will also be presented at an upcoming meeting. Discussion followed.

Adjournment: Being no further business before the committee, motion by Chenoweth, seconded by Hirsch, to adjourn the meeting at 7:48 p.m. The motion carried unanimously 5 to 0.

Respectfully submitted,

Brian R. Hoops
Assistant Stoughton Utilities Director

DRAFT

Report Criteria:

Report type: Summary

Check.Type = {<->} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
09/24	09/16/2024	2969	15	ASSOCIATED BANK-ACH	7460-232-00-0000	16,428.96
09/24	09/16/2024	2970	952	AT&T	7460-232-00-0000	250.55
09/24	09/16/2024	2971	1	DELTA DENTAL	7460-232-00-0000	955.80
09/24	09/16/2024	2972	2	EMPLOYEE BENEFITS CORP - ACH	7430-232-00-0000	181.53
09/24	09/16/2024	2973	421	FIRST DATA CHARGES	7460-232-00-0000	30.52
09/24	09/16/2024	2974	25	PAYROLL FEDERAL TAXES - EFT	7460-232-00-0000	22,525.64
09/24	09/16/2024	2975	547	SPECTRUM - ACH	7460-232-00-0000	449.80
09/24	09/16/2024	2976	7	TDS METROCOM - ACH	7430-232-00-0000	887.16
09/24	09/16/2024	2977	10	WI DEPT OF REVENUE TAXPAYMENT-EFT	7430-232-00-0000	3,756.38
09/24	09/16/2024	2978	9	WPPI	7460-232-00-0000	1,428,621.71
09/24	09/20/2024	2979	4	US CELLULAR - ACH	7460-232-00-0000	1,104.14
09/24	09/20/2024	2980	10	WI DEPT OF REVENUE TAXPAYMENT-EFT	7430-232-00-0000	85,438.15
09/24	09/25/2024	2981	516	WELLS FARGO BANK	7430-232-00-0000	5,048.25
09/24	09/25/2024	2982	1	DELTA DENTAL	7460-232-00-0000	1,018.80
09/24	09/25/2024	2983	25	PAYROLL FEDERAL TAXES - EFT	7460-232-00-0000	22,786.01
09/24	09/25/2024	2984	10	WI DEPT OF REVENUE TAXPAYMENT-EFT	7430-232-00-0000	3,812.09
09/24	09/30/2024	2985	809	CINTAS CORPORATION #446	7450-232-00-0000	225.48
09/24	09/30/2024	2986	1	DELTA DENTAL	7460-232-00-0000	344.48
09/24	09/30/2024	2987	2	EMPLOYEE BENEFITS CORP - ACH	7430-232-00-0000	181.53
09/24	09/30/2024	2988	889	PITNEY BOWES INC	7460-232-00-0000	135.75
09/24	09/30/2024	2989	3	ALLIANT ENERGY - ACH	7450-232-00-0000	263.68
09/24	09/30/2024	2990	2	EMPLOYEE BENEFITS CORP - ACH	7460-232-00-0000	31.45
09/24	09/30/2024	2991	20	WELLS FARGO BANK - ACH	7460-232-00-0000	270.36
09/24	09/30/2024	2992	3	ALLIANT ENERGY - ACH	7430-232-00-0000	71.22
09/24	09/30/2024	2993	856	GORDON FLESCH COMPANY, INC.	7430-232-00-0000	134.33
09/24	09/23/2024	29916	131	CITY OF STOUGHTON	7430-232-00-0000	33,652.26- V
09/24	09/09/2024	29929	1310	ALMETEK INDUSTRIES, INC.	7430-232-00-0000	2,722.57
09/24	09/09/2024	29930	915	COVERALL NORTH AMERICA, INC.	7430-232-00-0000	580.00
09/24	09/09/2024	29931	148	FASTENAL COMPANY	7460-232-00-0000	28.98
09/24	09/23/2024	29932	1276	GREENHOUSE MEGASTORE	7460-232-00-0000	.00 V
09/24	09/09/2024	29933	451	INSIGHT FS	7460-232-00-0000	146.43
09/24	09/18/2024	29934	560	LAVELLE CONCRETE SERVICES LLC	7450-232-00-0000	.00 V
09/24	09/09/2024	29935	1114	ONTECH SYSTEMS, INC	7460-232-00-0000	2,700.00
09/24	09/09/2024	29936	997	PETERSON PEST MANAGEMENT	7460-232-00-0000	105.00
09/24	09/09/2024	29937	1295	PRIMUS MARKETING GROUP, INC	7430-232-00-0000	5,600.00
09/24	09/09/2024	29938	1309	PROGRESSIVE	7430-232-00-0000	7,474.69

Stoughton Utilities

Financial Summary

August 2024 Year-to-date

Overall Summary:

August 2024 year-to-date operating income was \$1,356,918, up \$181,798 from 2023. Electric and water saw year-to-date increases of \$233,231 and \$37,681 respectively. Wastewater saw a decrease of \$89,114 from the same time last year. Year-to-date net income was up \$332,188 from the prior year.

Electric Summary:

August 2024 year-to-date operating revenues were up \$223,796 from the same time last year. Kilowatt-hour sales were down 0.5% from August 2023 year-to-date, and down 0.5% from July 2024 year-to-date.

Purchase power costs decreased by \$142,070, or -1.8%, from the same time last year. Non-power operating expenses were up \$132,635 from the same time last year.

Compared to 2024 budgeted expectations, revenues were up \$36,599 and expenses were down \$388,929. Year to date purchase power costs are under budget by \$127,936. In addition, we did not fill a budgeted lineman position until later this year, which is also related to lower expenses. This puts our new income at \$495,514 over budgeted figures year to date.

The August 2024 rate of return was 4.80%, compared to 3.30% year-to-date 2023. Unrestricted cash balances are \$6.33 million (4.7 months of sales).

Water Summary:

August 2024 year-to-date operating revenues were down \$753, or -0.1%, from 2023. Total gallons sold were down 1.8% from August 2023 year-to-date, and up 2.7% from July 2024.

Operating expenses were down \$38,434, or -3.0%, compared to the same time last year.

Compared to the 2024 budget expectations, revenues and expenses are under budget by \$87,206 and \$236,383, respectively. This puts our net income ahead of expectations by \$137,374.

The August 2024 rate of return was 4.09%, compared to 3.75% for year-to-date 2023. Unrestricted cash balances are \$1.46 million (6.8 months of sales).

Wastewater Summary:

August 2024 year-to-date operating revenues were up \$92,786, or 6.1%, from the same time in 2023. Total gallons sold were up 1.3% from August 2023 year-to-date, and up 5.9% from July 2024.

Operating expenses were up \$181,900, or 13.6%, from 2023.

Compared to our 2024 budget, revenues were up \$6,399 and expenses were down \$61,415. This places our net income \$87,284 over budget.

Unrestricted cash balances were \$1.42 million (7.2 months of sales).

Submitted by:
Shannon Statz

STOUGHTON UTILITIES

Balance Sheets

As of August 31, 2024

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
Assets				
Cash & Investments	\$ 7,987,058	\$ 2,745,655	\$ 2,903,863	\$ 13,636,575
Customer A/R	2,173,789	266,991	247,916	2,688,696
Other A/R	200,183	2,611	-	202,794
Other Assets	1,673,351	66,852	652	1,740,855
Plant in Service	33,781,689	19,493,202	34,992,997	88,267,888
Accumulated Depreciation	(18,746,053)	(6,993,351)	(15,748,273)	(41,487,677)
Plant in Service - CIAC	7,219,644	10,263,155	-	17,482,799
Accumulated Depreciation-CIAC	(2,571,463)	(2,942,506)	-	(5,513,969)
Construction Work in Progress	1,663,527	449,327	541,848	2,654,702
GASB 68 Deferred Outflow	1,348,656	399,231	448,639	2,196,526
Total Assets	\$ 34,730,381	\$ 23,751,167	\$ 23,387,642	\$ 81,869,189
Liabilities + Net Assets				
Accounts Payable	\$ 1,448,872	\$ 16,240	\$ 23,567	\$ 1,488,678
Payable to City of Stoughton	406,872	292,697	30,129	729,698
Interest Accrued	18,688	31,764	23,378	73,830
Other Liabilities	1,568,828	91,367	74,405	1,734,600
Long-Term Debt	1,631,256	3,390,212	2,208,264	7,229,732
Net Assets	28,580,609	19,518,428	20,587,158	68,686,195
GASB 68 Deferred Inflow	1,075,256	410,459	440,741	1,926,456
Total Liabilities + Net Assets	\$ 34,730,381	\$ 23,751,167	\$ 23,387,642	\$ 81,869,189

STOUGHTON UTILITIES

Year-to-Date Combined Income Statement
August 31, 2024

	Electric	Water	Wastewater	Total
<i>Operating Revenue:</i>				
Sales	\$ 10,877,487	\$ 1,694,813	\$ 1,588,042	\$ 14,160,342
Other	164,642	61,570	25,190	251,402
<i>Total Operating Revenue:</i>	\$ 11,042,129	\$ 1,756,383	\$ 1,613,232	\$ 14,411,744
<i>Operating Expense:</i>				
Purchased Power	7,790,551	-	-	7,790,551
Expenses (Including Taxes)	1,458,298	713,130	893,447	3,064,875
PILOT	283,832	272,840	-	556,672
Depreciation	754,940	257,860	629,928	1,642,728
<i>Total Operating Expense:</i>	\$ 10,287,621	\$ 1,243,830	\$ 1,523,375	\$ 13,054,826
<i>Operating Income</i>	\$ 754,508	\$ 512,553	\$ 89,857	\$ 1,356,918
Non-Operating Income	274,337	47,698	54,045	376,080
Non-Operating Expense	(38,319)	(65,073)	(43,688)	(147,080)
<i>Net Income</i>	\$ 990,526	\$ 495,178	\$ 100,214	\$ 1,585,918

STOUGHTON UTILITIES

Year-to-Date Combined Income Statement
August 31, 2023

	Electric	Water	Wastewater	Total
<i>Operating Revenue:</i>				
Sales	\$ 10,651,559	\$ 1,691,696	\$ 1,497,634	\$ 13,840,889
Other	166,774	65,440	22,812	255,026
<i>Total Operating Revenue:</i>	\$ 10,818,333	\$ 1,757,136	\$ 1,520,446	\$ 14,095,915
<i>Operating Expense:</i>				
Purchased Power	7,932,621	-	-	7,932,621
Expenses (Including Taxes)	1,342,931	732,656	721,507	2,797,094
PILOT	316,664	300,000	-	616,664
Depreciation	704,840	249,608	619,968	1,574,416
<i>Total Operating Expense:</i>	\$ 10,297,056	\$ 1,282,264	\$ 1,341,475	\$ 12,920,795
<i>Operating Income</i>	\$ 521,277	\$ 474,872	\$ 178,971	\$ 1,175,120
Non-Operating Income	175,688	35,390	46,424	257,502
Non-Operating Expense	(67,924)	(64,304)	(46,664)	(178,892)
<i>Net Income</i>	\$ 629,041	\$ 445,958	\$ 178,731	\$ 1,253,730

STOUGHTON UTILITIES
Year-To-Date Actual V. Budget
August 31, 2024

	Electric			Water			Wastewater			Total Variance
	Actual	Budgeted	Difference	Actual	Budgeted	Difference	Actual	Budgeted	Difference	
<i>Operating Revenue:</i>										
Sales	\$ 10,877,487	\$ 10,895,530	\$ (18,043)	\$ 1,694,813	\$ 1,816,985	\$ (122,172)	\$ 1,588,042	\$ 1,585,372	\$ 2,670	\$ (137,545)
Other	164,642	110,000	\$ 54,642	61,570	26,604	34,966	25,190	21,461	\$ 3,729	\$ 93,337
Total Operating Revenue:	\$ 11,042,129	\$ 11,005,530	\$ 36,599	\$ 1,756,383	\$ 1,843,589	\$ (87,206)	\$ 1,613,232	\$ 1,606,833	\$ 6,399	\$ (44,208)
<i>Operating Expense:</i>										
Purchased Power	7,790,551	7,918,487	(127,936)	-	-	-	-	-	-	(127,936)
Expenses (Including Taxes)	1,458,298	1,546,847	(88,549)	713,130	920,973	(207,843)	893,447	944,901	(51,454)	(347,846)
PILOT	283,832	406,185	(122,353)	272,840	293,125	(20,285)	-	-	-	(142,638)
Depreciation	754,940	805,041	(50,101)	257,860	266,115	(8,255)	629,928	639,889	(9,961)	(68,317)
Total Operating Expense:	\$ 10,287,621	\$ 10,676,560	\$ (388,939)	\$ 1,243,830	\$ 1,480,213	\$ (236,383)	\$ 1,523,375	\$ 1,584,790	\$ (61,415)	\$ (686,737)
Operating Income	\$ 754,508	\$ 328,970	\$ 425,538	\$ 512,553	\$ 363,376	\$ 149,177	\$ 89,857	\$ 22,043	\$ 67,814	\$ 642,529
Non-Operating Income	274,337	196,342	77,995	47,698	58,443	(10,745)	54,045	47,792	6,253	73,503
Non-Operating Expense	(38,319)	(30,300)	(8,019)	(65,073)	(64,015)	(1,058)	(43,688)	(56,905)	13,217	4,140
Net Income	\$ 990,526	\$ 495,012	\$ 495,514	\$ 495,178	\$ 357,804	\$ 137,374	\$ 100,214	\$ 12,930	\$ 87,284	\$ 720,172

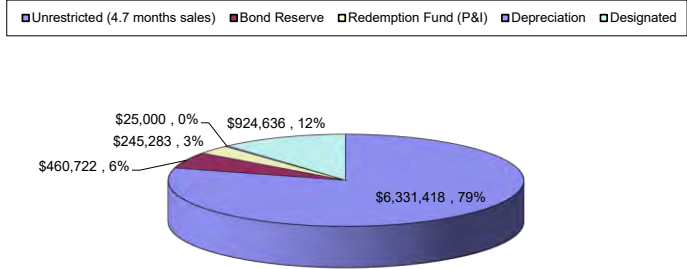
STOUGHTON UTILITIES
Cash and Investments Summary
As of August 31, 2024

Electric

Aug-24

Unrestricted (4.7 months sales)	\$	6,331,418
Bond Reserve	\$	460,722
Redemption Fund (P&I)	\$	245,283
Depreciation	\$	25,000
Designated	\$	924,636
Total	\$	<u>7,987,059</u>

Electric Cash - August 2024

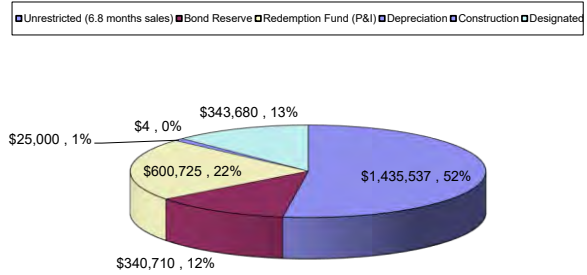


Water

Aug-24

Unrestricted (6.8 months sales)	\$	1,435,537
Bond Reserve	\$	340,710
Redemption Fund (P&I)	\$	600,725
Depreciation	\$	25,000
Construction	\$	4
Designated	\$	343,680
Total	\$	<u>2,745,656</u>

Water Cash - August 2024

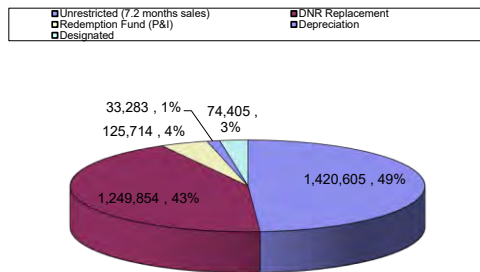


Wastewater

Aug-24

Unrestricted (7.2 months sales)	1,420,605
DNR Replacement	1,249,854
Redemption Fund (P&I)	125,714
Depreciation	33,283
Designated	74,405
Total	<u>2,903,861</u>

Wastewater Cash - August 2024



STOUGHTON UTILITIES

Rate of Return

Year-to-Date August 31, 2024

	<u>Electric</u>	<u>Water</u>
Operating Income (Regulatory)	\$ 754,508	\$ 512,553
Average Utility Plant in Service	33,294,771	19,239,619
Average Accumulated Depreciation	(18,384,624)	(6,747,472)
Average Materials and Supplies	1,056,783	63,233
Average Regulatory Liability	11,080	(2)
Average Customer Advances	(262,169)	(10,000)
Average Net Rate Base	\$ 15,715,841	\$ 12,545,379
August 2024 Rate of Return	4.80%	4.09%
December 2023 Rate of Return	4.22%	5.80%
August 2023 Rate of Return	3.30%	3.75%
Authorized Rate of Return	4.90%	5.00%

STOUGHTON UTILITIES

2024 Statistical Worksheet

Electric	Total Sales 2023 kWh	Total Purchased 2023 kWh	Peak Demand 2023 KW	Total Sales 2024 kWh	Total Purchased 2024 kWh	Peak Demand 2024 KW
January	11,238,094	12,022,050	21,321	12,408,775	13,261,769	24,125
February	10,247,629	10,704,714	21,105	10,855,576	11,258,813	19,944
March	10,791,760	11,293,484	19,080	10,795,415	11,205,958	19,624
April	9,606,173	10,017,696	17,892	10,184,570	10,544,925	19,665
May	10,170,304	849,585	26,802	10,726,122	11,108,376	22,331
June	12,065,536	12,519,710	27,928	12,670,263	13,125,552	32,264
July	13,514,136	13,989,829	32,215	13,970,727	14,523,728	32,881
August	13,963,465	14,460,633	38,090	13,891,923	14,395,417	36,222
September	11,287,158	11,713,126	29,701	11,587,149	11,981,844	26,573
October			-	-	-	-
November			-	-	-	-
December			-	-	-	-
TOTAL	102,884,255	97,570,827	38,090	107,090,520	111,406,382	36,222

Water	Total Sales 2023 Gallons	Total Pumped 2023 Gallons	Max Daily High 2023	Total Sales 2024 Gallons	Total Pumped 2024 Gallons	Max Daily Highs 2024
January	29,263,000	31,785,000	1,406,000	30,973,000	34,874,000	1,243,000
February	27,056,000	29,287,000	1,398,000	30,511,000	33,106,000	1,236,000
March	31,515,000	33,828,000	1,359,000	32,151,000	35,412,000	1,675,000
April	31,060,000	33,632,000	1,335,000	32,181,000	34,328,000	1,262,000
May	35,588,000	40,167,000	1,923,000	34,541,000	39,559,000	1,677,000
June	41,180,000	45,139,000	1,827,000	35,353,000	40,727,000	1,864,000
July	37,079,000	40,184,000	1,864,000	36,015,000	40,078,000	1,678,000
August	37,669,000	40,772,000	1,760,000	36,998,000	43,470,000	1,883,000
September	34,593,000	37,363,000	1,669,000	35,476,000	49,372,000	2,569,000
October			-	-	-	-
November			-	-	-	-
December			-	-	-	-
TOTAL	305,003,000	332,157,000	1,923,000	304,199,000	350,926,000	2,569,000

Wastewater	Total Sales 2023 Gallons	Total Treated 2023 Gallons	Precipitation 2023	Total Sales 2024 Gallons	Total Treated 2024 Gallons	Precipitation 2024
January	23,144,000	33,444,000	2.09"	23,667,000	32,743,000	2.17"
February	22,238,000	30,340,000	3.63"	23,334,000	31,698,000	0.95"
March	24,719,000	36,209,000	2.19"	24,395,000	35,498,000	5.40"
April	23,129,000	34,847,000	2.34"	24,428,000	39,962,000	6.19"
May	27,113,000	33,065,000	1.48"	26,031,000	38,936,000	5.04"
June	30,550,000	30,321,000	0.68"	26,469,000	42,165,000	7.10"
July	27,788,000	32,141,000	6.41"	26,335,000	42,196,000	7.12"
August	27,541,000	31,502,000	1.93"	27,893,000	37,544,000	3.01"
September	25,082,000	29,860,000	4.48"	26,176,000	34,784,000	2.76"
October				-	-	-
November				-	-	-
December				-	-	-
TOTAL	231,304,000	291,729,000	-	228,728,000	335,526,000	-



Stoughton Utilities

Activities Report

September 2024

Statistics

Electric Service Reliability
99.9936%

Electricity purchased
11,981,000 kWh

Peak Demand
26.573 MW
9/16/2024 5:00 PM

Wastewater Treatment Plant
Monthly Flow
35.948
million gallons

Payments Processed
9,276
Totaling \$2.28M

Bills Processed
10,026
Totaling \$2.45M

Accomplishments & Activities

The Finance Division continued working on the 2025 electric, water, and wastewater budgets, and began working on our water rate case application. The rate case application will be filed after the 2025 budget is approved by the Utilities Committee.

Technical Operations Division staff continue to explore Advanced Metering Infrastructure (AMI) options, including learning more about a metering company that may offer a more robust system at a lower cost than the system used by many WPPI Energy members. SU will be exploring a trial with a few meters and a live communications system.

Wastewater staff completed the application for our Wisconsin Pollutant Discharge Elimination System (WPDES) permit with the Wisconsin Department of Natural Resources. Permits are issued for five-year terms.

Two new employees joined our team at Stoughton Utilities in September, including Apprentice Journeyman Lineman Paul Schmeling and Water Division Operator Dustin Kloos.

During the month of September, 20 electric service disconnections were completed for balances totaling \$6,735, averaging \$335 per disconnected customer. 11 services were reconnected within the same business day, and 5 the following business day.

Fall sludge hauling was completed, with 380,500 gallons of treated biosolids spread in nearby fields. The sludge is injected into the fields and helps to fertilize the soil for farming, adding nitrogen, phosphorous, and other nutrients. Sludge hauling is completed twice a year.

Project Updates

Transformer Replacements: The Electric Division replaced the final two temporary transformers with new 2000-kVA permanent transformers at a large industrial facility in town, closing out a project that began in the summer of 2022. This work occurred on a Sunday when the facility could take an outage lasting several hours.

South Street Construction: The South St reconstruction project is ongoing. Per the project contract, substantial completion was expected by September 30, but as of the end of the month there were still numerous issues with the sanitary sewer installation and paving had not yet begun.

Upcoming Road Project Preparation: Crews continued work to relocate poles on USH-51 east of CTH-N to facilitate next year's WisDOT highway reconstruction project. Numerous poles between 5th St. and Spring Rd. have been replaced for the project to accommodate changes in sidewalk and intersection alignments.

Public Power Scavenger Hunt

Public Power Week is observed annually during the first full week of October. Stoughton Utilities is celebrating with our annual family friendly scavenger hunt, and the submissions have been rolling in!

Customers who submit a photo at the secret location will receive a \$10 bill credit on their November utility bill. Customers who choose to share their photo on social media and tag us will be entered to win a \$300 gift card!



Pictured: SU Lineworkers Andy and Mike getting in on the scavenger hunt fun!

Trouble Calls

Electric division staff responded to a total of 15 trouble calls resulting in 12 outages affecting 283 customers. Three outages were caused by overhead equipment failures, three by squirrels, two by unknown causes, two by tree limbs, one by lightning, and one due to a customer trimming tree limbs in their yard.

Wastewater division staff responded to four trouble calls, including a water main break and a SCADA issue.

Looking Ahead

Stoughton Utilities will be commissioning two large solar projects in the next month, one at 990 kW and another at approximately 300 kW.

We will begin working with home builders as the weather gets colder so they have a chance to get services dug in before the ground freezes. After the ground freezes, the cost to complete is much higher so we try to get as many of them ready as we can before there is snow on the ground.

The annual tax roll process will begin in October, with letters being mailed out to owners and tenants of severely delinquent accounts. All accounts that aren't paid by November 15, 2024 will be submitted to the City to be collected with property taxes.



Pictured: Apprentice Lineworker Paul replacing an insulator. Photo courtesy of Michael Nawrocki.



Pictured: Result of a water main break on Division Street. Photo courtesy of Kent Thompson.



Stoughton Utilities

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

Serving Electric, Water & Wastewater Since 1886

Date: October 15, 2024
To: Stoughton Utilities Committee
From: Jill M. Weiss, P.E.
Stoughton Utilities Director
Subject: Stoughton Utilities Communications

October 08, 2024 Stoughton Utilities October billing insert regarding the availability of Energy Assistance funds to help income-qualified customers with heating costs.

October 08, 2024 Email newsletter sent to customers with information regarding our Public Power Scavenger Hunt, Energy Assistance availability, appliance incentives, Choose Renewable, and Project RoundUP.

October 14, 2024 Stoughton Utilities billing insert announcing our annual Holiday Donation Food Drive. The insert will be included in the November billing statements. All customers donating at least 5 non-perishable food items for local food pantries will receive a string of LED holiday lights.

October 14, 2024 Wrap-up Summary of Stoughton Utilities' Public Power Week Scavenger Hunt 2024.

October 15, 2024 Stoughton Utilities press release regarding Stoughton's recent recognition as a National Renewable Energy Leader for Green Power Participation and Green Power Sales Rate from the Department of Energy National Renewable Energy Laboratory.



WE ALL DESERVE A HELPING HAND

APPLY FOR BENEFITS TODAY.

Getting help with your electric and heating costs is quicker and easier than ever. Qualified residents can receive payments toward heating and electric bills, free energy efficient home upgrades, and more. Review eligibility requirements and get started online or by phone in as little as 10 minutes.

Visit energybenefit.wi.gov or call **800-506-5596**.

SEE IF YOU QUALIFY

Eligibility for Wisconsin Home Energy Assistance Program (WHEAP) benefits is based on a number of factors. If the gross income for your household is less than the amount shown here, you may be eligible to receive assistance.

APPLY FOR BENEFITS

IT'S QUICK AND EASY!

Go to energybenefit.wi.gov to see how easy it is to apply online. Here's a list of the materials you'll need to have ready.

For you and everyone else living in your household:

- Date of birth and Social Security Number (or government issued ID number)
- Income information from all sources (wages, social security, unemployment compensation, etc.)
- Account number (as shown on your bill) for each utility company you have
- Your landlord or property management company information (if applicable).

Family Size	Gross Income (one month)
1	\$3,061.08
2	\$4,002.92
3	\$4,944.83
4	\$5,886.75
5	\$6,828.58
6	\$7,770.50
7	\$7,947.08
8	\$8,123.67

THE AVERAGE RECIPIENT RECEIVES \$666* PER YEAR!

**Average benefit for qualifying resident during 2022/2023 heating season. Benefit is based on household size, income, utility costs, and overall need.*



stoughtonutilities.com • (608) 873-3379

At Stoughton Utilities, we join forces with other local, not-for-profit utilities through WPPI Energy to share resources and lower costs.

SHARED STRENGTH THROUGH @WPPI ENERGY



Your Resource for Saving Energy & Money!

Customer Service

For My Home

For My Business

Our Community

Public Power Scavenger Hunt

Public Power Week is observed annually during the first full week of October, and celebrates the reliable, affordable electricity that publicly owned utilities provide to their communities.

Receive a \$10 bill credit and a chance to win a \$300 gift card!

This year, Stoughton Utilities is celebrating Public Power with a family-friendly scavenger hunt! Visit our website to download the scavenger hunt form, answer the questions to find the secret location of the linemen and send us a picture!



[Visit our Website](#)

Apply for Energy Assistance

Getting help with your electric and heating costs is quicker and easier than ever. Qualified residents can receive payments toward heating and electric bills, free energy efficient home upgrades, and more. Review eligibility requirements and get started online or by phone in as little as 10 minutes!

Go to energybenefit.wi.gov or call 800-506-5596 to apply.

[Apply Today!](#)

Family Size	Gross Income (one month)
1	\$3,061.08
2	\$4,002.92
3	\$4,944.83
4	\$5,886.75
5	\$6,828.58
6	\$7,770.50
7	\$7,947.08
8	\$8,123.67








HOLIDAY DONATION FOOD DRIVE

Stoughton Utilities is hosting a Holiday Donation Food Drive, collecting non-perishable food donations for local food pantries! **Customers donating at least 5 items will receive a free string of LED holiday lights!**

Drop off your donation during our holiday open house to enjoy hot cocoa, free gifts, and holiday cheer, on



**Saturday, December 7
1:00 p.m. - 3:00 p.m.**



**Stoughton Utilities Administration Office
600 S. Fourth Street**



Donations will also be accepted in our office during normal business hours December 2-6

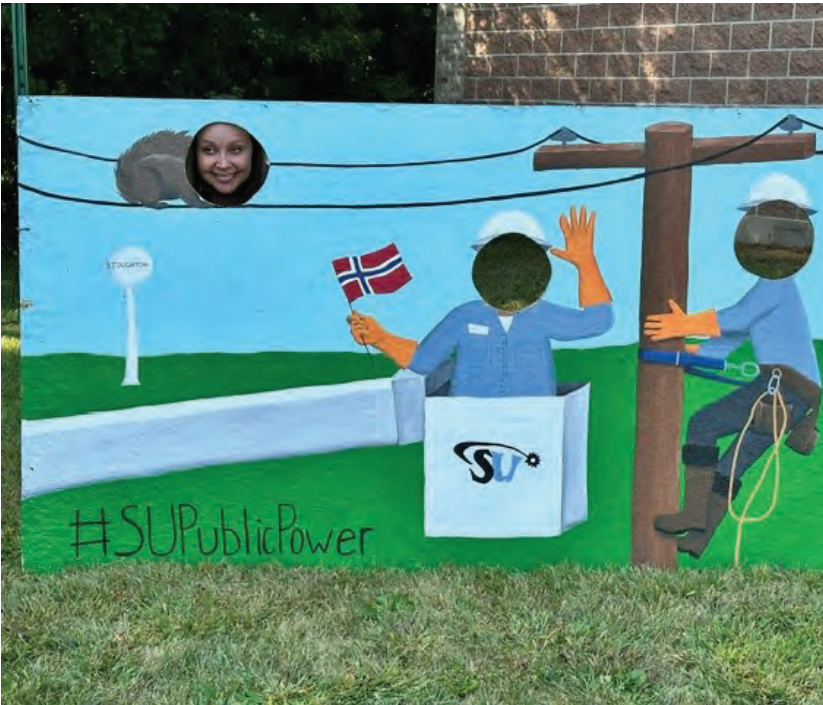
The food pantry is in special need of: toothbrushes, toothpaste, shampoo, sugar, flour, canned fruits and vegetables, individual fruit cups, oatmeal, laundry soap, ketchup, tuna, and spaghetti noodles.

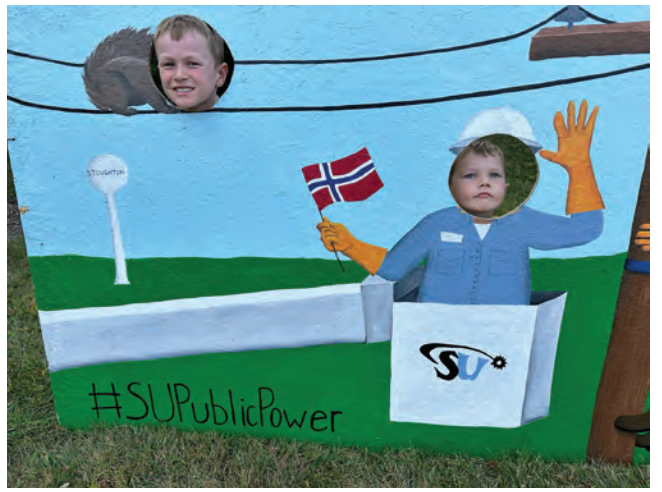
No expired or opened items please. Expired donations will not be accepted. While supplies last. Limit one string of lights and free gift per customer. Must be a current Stoughton Utilities customer. Hot chocolate, free gifts, and holiday cheer only available during open house hours on Saturday, December 7, while supplies last.



At Stoughton Utilities, we join forces with other local not for profit utilities through WPPI Energy to share resources and lower costs.

stoughtonutilities.com • (608) 873-3379





Public Works removed the wooden sign so they could mow the grass at the park, so we put up a "MISSING" sign for the last week of the scavenger hunt!





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

October 15, 2024

Contact: Jill Weiss, Utilities Director

Stoughton Named National Renewable Energy Leader

Stoughton was again ranked in the top 10 nationally by the Department of Energy National Renewable Energy Laboratory (NREL) for the community's participation and sales rates in green power programs. NREL has now recognized Stoughton for the ninth time in over a decade.

The city was ranked eighth with a 5.15% participation rate in 2023 out of the top 15 utilities throughout the country.

"As the case has been for years now, Stoughton's residents are being deservedly recognized for a dedication to renewable energy," said Jill Weiss, utilities director of Stoughton Utilities. "It's exciting to have so many people invested in reducing carbon emissions."

NREL's list for Green Power Participation Rates measures the percentage of customers who participated in a utility's renewable or "green" energy programs. NREL evaluated the renewable energy efforts of utilities in four categories and released lists of the top 15 utilities across the nation.

Customers of Stoughton Utilities rank 8th in the nation for their Green Power Participation Rate as well as the Green Power Sales Rate.

NREL's list for Green Power Participation Rates measures the percentage of customers who participate in a utility's programs. The Green Pricing Sales Rate ranks utilities by the same categories.

Stoughton's rate increased to 4.12% in 2023, up from below 4% in 2022.

One of the utility's most popular offerings, Choose Renewable, helped the community obtain this recognition. The program allows customers to sign up to increase their monthly bill by a few dollars, ensuring their space is powered by renewable energy such as solar, wind and biogas. A typical home can run on clean energy with the purchase of two to three blocks, with one 300 kilowatt-hour (kWh) block costing \$2 per month.

Customers interested in participating in the Choose Renewable program are encouraged to contact the utility to sign up.

Stoughton Utilities is a member of WPPI Energy, a not-for-profit joint action agency which is owned by the members it serves. WPPI Energy has set a target to become carbon neutral by 2050.

###

Stoughton Utilities

Stoughton Utilities is a municipally owned and operated utility serving residents and businesses in Stoughton, Wis. For more information visit stoughtonutilities.com.

NREL

NREL is the U.S. Department of Energy's primary national laboratory for renewable energy and energy efficiency research and development. For more information visit nrel.gov.



Stoughton Utilities

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

Serving Electric, Water & Wastewater Since 1886

Date: October 15, 2024

To: Stoughton Utilities Committee

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

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

No items from prior Stoughton Utilities Committee meetings were presented to and/or acted upon by the Stoughton Common Council since the last Committee meeting. Items from the September 30, 2024 meeting will be presented to the Stoughton Common Council at their October 22, 2024 meeting.



Stoughton Utilities

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

Serving Electric, Water & Wastewater Since 1886

Date: October 15, 2024

To: Stoughton Utilities Committee

From: Shannon Statz
Stoughton Utilities Finance Manager

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

Subject: Stoughton Utilities Proposed 2025 Budget and Five Year (2025 – 2029) Capital Improvement Projects (CIP) Plan Budget Summary

The 2025 electric, water and sewer budgets have been prepared using prior trends and future assumptions when determining estimated expenses and revenues. Expenses were forecasted for 2025 based on the prior three-years averages. Each year after that is assumed to increase by 3%. We have adjusted for line items where we have additional knowledge, for instance, health insurance is expected to increase by 10% in 2025. Revenue forecasts were made by comparing past trends, and information from customers where we know they will reduce their load. As such, we are showing a decrease in usage for all three utilities. All projected rate increases, and debt issuances are based on these assumptions.

The 2025 budget assumes staff will receive a 3% across the board wage increase. This increase is consistent with the rest of the City of Stoughton staff. Preliminary wage surveys show that other MEUW member utilities are planning for increases between 3% and 4%. In the 2025 budget, there are funds for an outside consultant to review our wages and compare them to like positions in the regional market. There is significant competition in our local market area. Paying at market rate helps to retain staff and helps to recruit new staff during times of turnover.

In the 2024 budget we had funds to fill our two vacant water operator positions. One of them has been filled. The other one we would like to transition to an Apprentice Meter Technician role in 2025. This position is necessary to assist our Meter Technician with meter testing and to act as a backup in the water division. This position will be funded primarily by water, but a portion of wages and benefits has been assigned to electric.

The city and utility continue to collaborate on the replacement of infrastructure through the city. Utilities Director Weiss continues to work closely with the Public Works Division to come up with a replacement schedule that works for all of us. To meet all divisions' needs, we have an aggressive water and sewer main replacement schedule in the coming years, some of which will require debt issuances. In addition, the Wisconsin Division of Transportation has plans to replace Hwy 51 within the next five years. The

replacement of water and sewer main for this project will require us to borrow funds. A significant add to our five-year projection is the construction of a new building. We have estimated a new building cost of \$21.5 million. This estimate is based off a local utility's current construction. We anticipate a modest building that serves our needs now and in the future. In addition, we have set aside \$500,000 in 2025 for professional services to design a new building. While there are still a lot of unknowns, we have built the budget around the notion that the project will move forward.

Each utility has projected rate increases within the next five years. Most notable will be in the water and wastewater divisions. The reasons for these increases are to maintain adequate cash flow, meet our debt coverage requirements and to recover our costs to operate the utilities. The good news is that our planned rate increases will continue to keep our rates competitive with surrounding communities. A comparison of water and sewer rates is included in your packet for review.

Below is a summary of each utility's expenses, capital projects and revenues for 2025.

ELECTRIC

OPERATING EXPENSES

- Our largest expense is purchase power. WPPI has proposed an increase in their charges starting in 2025, as some have not been increased in several years. We have calculated the estimated increases into our budget to determine our 2025 power costs.
- Administrative and general costs are expected to increase 10.4%. This is due to an increase in health insurance costs from 2024 as well as a planned distribution study (\$30,000) and compensation study (\$22,000).
- We have continued our tree trimming efforts consistently over the next five years. While this is a costly expense, it is very important to keep our lines clear to help reduce power outages.

CAPITAL IMPROVEMENT PLAN

- We are planning to purchase a trailer vacuum excavator for the electric division. They are currently using the wastewater division's unit. Demand from both divisions has made it necessary to purchase a unit for electric. The crews will be able to use the smaller trailer unit in tighter areas. This will also put less wear and tear on wastewater's unit and should prolong its life. The cost of this unit is budgeted for \$180,000.
- In 2024 we began a project to tie one of our circuits, increasing reliability to our customers within this area. That project will continue over into 2025 and is expected to cost \$250,000.
- In 2025, we will begin to change out some of our electric meters with AMI. We currently have an AMR system. AMI will allow us to read meters remotely and will allow customers to see their energy usage in real time. This project is expected to take several years to complete. We have set aside \$192,000 for the first phase in 2025.
- We do anticipate issuing debt in 2026 to pay for a new building. Electric's share of the building is estimated to be \$11,825,000. We also have funds for building design work in 2025 (\$275,000) in anticipation of breaking ground in 2026.

OPERATING REVENUES

- We are anticipating an increase in usage at 2024-year end. However, we are showing a reduction in usage over the next five years. We are aware of a large customer that plans to install solar panels at their facility. This, along with other customers conservation efforts, is the reason we feel it necessary to show a reduction in load moving forward.
- Over the next five years, we have two rate increases planned. One in 2026 (8%) to accommodate a new building, and one in 2028 (2.75%).

WATER

OPERATING EXPENSES

- Pumping costs are expected to nearly double in 2025. This is due to a rehab of one of our wells. The cost for this is estimated at \$100,000.
- Transmission and distribution costs are expected to rise 26.6%. In 2025 we will begin installing AMI meters in the water division. Staff will need to be trained on how to use the new technology. We have set aside \$23,000 for this effort.
- Administrative and general costs are anticipated to increase 23.4%. This is due to an increase in health insurance costs overall, as well as the filing of the Apprentice Meter Technician position, where we are budgeting full health benefits.

CAPITAL IMPROVEMENT PLAN

- Watermain replacements for Fourth St: Milwaukee to Isham and Hwy 51: Fifth to Chalet are planned. (\$633,000)
- Just like the electric meters, we are planning for installation of AMI meters on the water side. We are continuing to replace some of our AMR meters as they fail. During the required change out period, we will install AMI meters. This will keep us on a testing and replacement schedule that is manageable in future years. This project will also continue over several years. The cost in 2025 is estimated to be \$129,360.
- We have budgeted \$272,773 to complete our dark fiber connection at our wells. This will allow us better communication with the wells remotely. In addition, we are planning to replace PLCs for our SCADA to complete the connection.
- Over the next five years we anticipate two borrowings for the water division. In 2026, we are showing a debt issuance of \$5,407,000, \$4,300,000 for the building and \$1,107,000 for the DOT project on Hwy 51. In 2028, we anticipate borrowing \$600,000 for a few slated watermain replacement projects.

OPERATING REVENUES

- We have forecasted for a reduction in water usage over the next five years. Just like the electric usage, we are aware of a large customer that has pledged to reduce their water consumption by a sizeable percentage. As such, it is necessary for us to show a decrease in usage moving forward.
- Last year we showed an 8% water rate increase in 2024 and a 9% increase in 2025. Due to our rate of return being higher than anticipated in 2023, we could not take advantage of the

simplified rate increase. Because of this, our 2025 rate increase is higher than presented last year. In addition, the rate of return currently being offered by the Public Service Commission is 6.2%, whereas last year our projections were based on a return of 4.9%. These factors have attributed to a projected water rate increase of 23% in 2025. The five-year projection shows water rates increasing in 2027 by 17% due to a new building and by 10% in 2029.

SEWER

OPERATING EXPENSES

- Customer accounting and collections is expected to increase 18.9% from estimated 2024 costs. Our 2024 estimates are below past trends. We do not believe this will continue, and as such have used the past three-year average to budget for 2025.
- Administrative and general costs are anticipated to rise 12%. This is largely due to an increase in health insurance costs.

CAPITAL IMPROVEMENT PLAN

- Sewer main replacements on Fourth St: Milwaukee to Isham and on Hwy 51: Fifth to Chalet are planned. (\$548,000)
- Due to the aging infrastructure at our treatment plant, we have increased our equipment replacement fund to \$75,000. These funds are used to make unexpected repairs to keep the plant running.
- Over the next five years, we anticipate three debt issuances for the wastewater utility. The first is in 2026 and totals \$6,875,000, \$5,375,000 for a new building and \$1,500,000 for sewer main replacements, including the Hwy 51: Fifth to Chalet project. In 2027, we anticipate borrowing \$700,000 for further work on Hwy 51. In 2029, we are planning to issue \$900,000 in debt to replace an interceptor at Mandt Park and to replace watermain during some street projects.

OPERATING REVENUES

- Following the reduction in water usage, sewer usage has also been forecasted to decrease over the next five years.
- It is projected that we will need to adjust rates each year from 2025 thru 2028. In 2025, we are anticipating an 8% increase. In both 2026 and 2027 we are showing the need for 20% increases each year to accommodate the building and infrastructure project. In 2028 we believe the increase will level back off at 8%. All of the rate increases are needed to meet our debt coverage and to have sufficient cash on hand to meet our operational needs.

The Stoughton Utilities Proposed 2025 Budget and Five-Year CIP is provided for approval and recommendation to the City of Stoughton Common Council. It is scheduled for presentation at Common Council on October 22, 2024 and adoption on November 5, 2024.

Enclosure



Stoughton Utilities

2025 Budget

2025 Budget Assumptions

Revenues – Decline in usage for all utilities

Expenses – Trends

Health Insurance – 10%

Capital Projects – Continue aggressive replacement plan

Rate of Return – 6.2%

New Building – \$22 million

Staffing – Apprentice Meter Technician

2025 Budget Assumptions - Wages

- Fair Market Based Compensation
- Efficient Use of All Resources – Lean Staffing
 - Filling Positions When Workload Requires NOT When Position is Vacant
- Purpose:
 - Retain and Develop Highly Skilled Staff
 - Meet and Exceed the Needs of our Customers and Community
 - Recruitment without Compensation Evaluation – Maintain Equity within Stoughton Utilities and the Utility Industry
 - Meet PSC regulations – Rate Case Review – Consistent Compensation Model

2025 Budgeted Wages

- Early Drafts of Utility Budget Originally Contained an Estimated Market Adjustment
- Modified to Match the City's 3% 'Across the Board' Approach

Wages – 2026 & Beyond

Worked with Mayor Swadley and Human Resources/Risk Management Director Gillingham to Develop Future Plan:

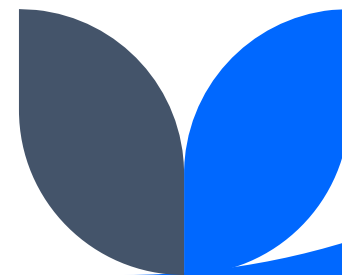
- 3rd Party Recommends Compensation Policy for Stoughton Utilities
 - Recommendations Presented to Utilities Committee, Personnel Committee and Common Council for Action (Early 2025)
- 3rd Party Reviews Previously Approved Stoughton Utilities Compensation Plan (2025)
 - 3rd Party Conducts Market Wage Adjustment Analysis (Implementation 2026)
 - Recommendations Implemented into Budget per Stoughton Utilities Compensation Policy



2025 Budget

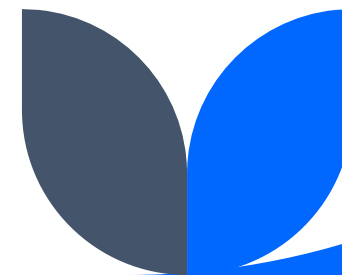
Changes Since Budget Preview

- Added \$500,000 to 2025 CIP
- Adjusted New Building to \$21.5 million in 2026
- Re-Estimated 2024 Expense Projections
- Adjusted Water Health Insurance Costs
- Updated Debt Interest Rate to 3.5% in 2024



Overview

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
OPERATING REVENUES	\$ 16,855,486	\$ 3,179,533	\$ 2,472,938	\$ 22,507,957
OPERATING EXPENSES				
Operation & Maintenance Expense	\$ 14,541,149	\$ 1,459,896	\$ 1,485,583	\$ 17,486,628
Taxes (PILOT)	\$ 416,437	\$ 413,630	\$ -	\$ 830,067
Depreciation	\$ 1,181,595	\$ 462,393	\$ 879,956	\$ 2,523,944
Total Operating Expenses	\$ 16,139,181	\$ 2,335,919	\$ 2,365,539	\$ 20,840,639
OPERATING INCOME	\$ 716,305	\$ 843,614	\$ 107,401	\$ 1,667,318
RATE OF RETURN (ROR)	4.31%	6.00%	N/A	



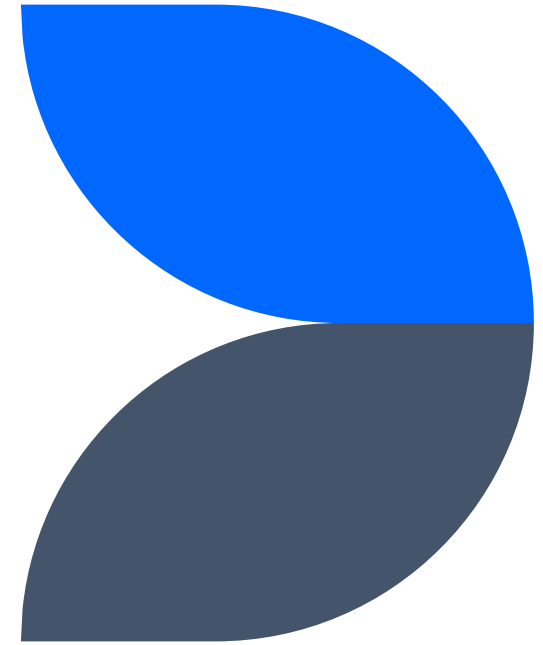
Overview

	Proposed 2025	% Change 2025-2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING REVENUES							
Total Sales	\$ 22,192,962	5.6%	\$ 21,011,254	\$ 21,400,109	\$ 20,310,202	\$ 20,912,352	\$ 19,875,375
Other Operating Revenues							
Total Other Operating Revenues	\$ 314,995	1.5%	\$ 310,431	\$ 283,818	\$ 321,628	\$ 333,915	\$ 251,428
TOTAL OPERATING REVENUES	\$ 22,507,957	5.6%	\$ 21,321,685	\$ 21,683,927	\$ 20,631,830	\$ 21,246,267	\$ 20,126,803
OPERATING EXPENSES	\$ 15,000,976	6.0%	\$ 14,154,068	\$ 14,691,937	\$ 13,890,372	\$ 14,605,709	\$ 13,496,700
Taxes	\$ 256,490	2.4%	\$ 250,442	\$ 231,592	\$ 247,476	\$ 247,175	\$ 218,952
OPEB, GASB 75, Pensions	\$ 100,000	-47.4%	\$ 190,000	\$ 190,000	\$ 89,573	\$ (9,046)	\$ (13,322)
Wages	\$ 2,129,162	9.6%	\$ 1,943,173	\$ 2,080,671	\$ 2,000,516	\$ 1,762,736	\$ 1,563,696
Depreciation	\$ 2,523,944	0.1%	\$ 2,520,578	\$ 2,566,569	\$ 2,214,958	\$ 2,341,355	\$ 2,200,089
PILOT	\$ 830,067	5.6%	\$ 785,795	\$ 851,575	\$ 745,028	\$ 756,567	\$ 850,067
TOTAL OPERATING EXPENSES	\$ 20,840,639	5.0%	\$ 19,844,056	\$ 20,612,344	\$ 19,187,923	\$ 19,704,496	\$ 18,316,182
REGULATORY OPERATING INCOME (LOSS)	\$ 1,667,318		\$ 1,477,629	\$ 1,071,583	\$ 1,443,907	\$ 1,541,771	\$ 1,810,621
CAPITAL PROJECTS	\$ 3,880,093	-33.2%	\$ 5,804,663	\$ 6,015,028	\$ 2,231,171	\$ 1,834,209	\$ 3,074,722



Electric

2025 Budget



2025 Electric Revenues

	Proposed 2025	% Change 2025-2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING REVENUES							
Residential	\$ 8,393,274	2.1%	\$ 8,221,631	\$ 8,722,883	\$ 8,000,787	\$ 8,439,374	\$ 8,044,072
General Service	\$ 2,518,677	2.0%	\$ 2,469,324	\$ 2,250,391	\$ 2,404,048	\$ 2,466,874	\$ 2,138,585
Small Power CP1 Customers	\$ 1,474,871	2.9%	\$ 1,432,947	\$ 1,440,146	\$ 1,396,529	\$ 1,490,474	\$ 1,587,267
Large Power CP2 Customers	\$ 1,318,536	3.6%	\$ 1,273,136	\$ 1,314,033	\$ 1,318,572	\$ 1,509,864	\$ 1,099,343
Industrial Power CP3 Customers	\$ 2,836,531	3.7%	\$ 2,735,210	\$ 2,469,003	\$ 2,343,244	\$ 2,352,565	\$ 2,423,129
Street Lighting	\$ 103,597	1.2%	\$ 102,362	\$ 111,838	\$ 96,898	\$ 96,333	\$ 91,345
Total Sales	\$ 16,645,486		\$ 16,234,610	\$ 16,308,294	\$ 15,560,078	\$ 16,355,484	\$ 15,383,741
Other Operating Revenues							
Forfeited Discounts (Penalties, NSF, Reconnect)	\$ 35,000	0.0%	\$ 35,000	\$ 35,000	\$ 34,920	\$ 31,997	\$ 33,082
Other (Permits, ATC Common Facilities, etc.)	\$ 175,000	2.9%	\$ 170,064	\$ 165,000	\$ 181,225	\$ 198,551	\$ 131,238
Total Other Operating Revenues	\$ 210,000	2.4%	\$ 205,064	\$ 200,000	\$ 216,145	\$ 230,548	\$ 164,320
TOTAL OPERATING REVENUES	\$ 16,855,486		\$ 16,439,674	\$ 16,508,294	\$ 15,776,223	\$ 16,586,032	\$ 15,548,061



2025 Electric Expenses

	Proposed 2025	% Change 2025-2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING EXPENSES							
Power Production Expenses (WPPI-Wholesale Power)	\$ 11,886,589	4.3%	\$ 11,398,882	\$ 11,877,730	\$ 11,541,054	\$ 12,254,384	\$ 11,325,693
Transmission/Distribution	\$ 345,770	15.5%	\$ 299,333	\$ 335,584	\$ 251,616	\$ 288,682	\$ 365,580
Customer Accounting and Collection	\$ 193,899	2.7%	\$ 188,775	\$ 175,050	\$ 187,464	\$ 205,447	\$ 191,400
Administrative and General	\$ 784,305	10.4%	\$ 710,216	\$ 622,407	\$ 427,679	\$ 409,165	\$ 381,634
Taxes	\$ 192,464	2.5%	\$ 187,778	\$ 167,158	\$ 183,056	\$ 190,530	\$ 161,278
OPEB, GASB 75, Pensions	\$ 50,000	-44.4%	\$ 90,000	\$ 90,000	\$ 25,223	\$ (123,727)	\$ 53,621
Wages	\$ 1,088,122	-1.4%	\$ 1,103,962	\$ 1,097,228	\$ 1,062,735	\$ 879,933	\$ 684,098
Depreciation	\$ 1,181,595	0.2%	\$ 1,179,474	\$ 1,207,562	\$ 1,065,328	\$ 1,212,699	\$ 1,065,958
PILOT	\$ 416,437	3.8%	\$ 401,323	\$ 442,120	\$ 376,498	\$ 380,252	\$ 438,027
TOTAL OPERATING EXPENSES	\$ 16,139,181		\$ 15,559,743	\$ 16,014,839	\$ 15,120,653	\$ 15,697,365	\$ 14,667,289
OPERATING INCOME (LOSS)	\$ 716,305		\$ 879,931	\$ 493,455	\$ 655,570	\$ 888,667	\$ 880,772
CAPITAL PROJECTS	\$ 1,651,990	-25.6%	\$ 2,219,589	\$ 2,353,500	\$ 1,857,856	\$ 650,615	\$ 1,260,904
RATE OF RETURN	4.31%		5.52%	3.05%	4.22%	5.85%	5.91%



Electric Financial Outlook

Rate of Return

	2025	2026	2027	2028	2029
OPERATING REVENUES					
Sales of Electricity	\$ 16,645,487	\$ 18,304,825	\$ 18,439,743	\$ 19,142,703	\$ 19,177,593
Other	210,000	210,000	210,000	210,000	210,000
Total Operating Revenues	<u>\$ 16,855,487</u>	<u>\$ 18,514,825</u>	<u>\$ 18,649,743</u>	<u>\$ 19,352,703</u>	<u>\$ 19,387,593</u>
OPERATING EXPENSES					
Purchased Power	\$ 11,886,589	\$ 12,452,154	\$ 12,592,880	\$ 12,794,655	\$ 12,842,891
Operation and Maintenance	2,462,096	2,704,155	2,568,055	2,646,837	2,756,808
Taxes	192,464	197,272	202,204	207,265	212,458
Depreciation (Utility Financed)	1,181,595	1,375,428	1,462,745	1,498,981	1,511,036
PILOT	416,437	422,464	566,697	562,602	553,965
Total Operating Expenses	<u>\$ 16,139,181</u>	<u>\$ 17,151,473</u>	<u>\$ 17,392,581</u>	<u>\$ 17,710,341</u>	<u>\$ 17,877,157</u>
SALES TO PURCHASED POWER MARGIN - W/ INCREASE	40.04%	47.00%	46.43%	49.61%	49.32%
REGULATORY OPERATING INCOME	<u>\$ 716,305</u>	<u>\$ 1,363,352</u>	<u>\$ 1,257,162</u>	<u>\$ 1,642,362</u>	<u>\$ 1,510,436</u>
AVERAGE NET RATE BASE	<u>\$ 16,632,749</u>	<u>\$ 22,540,736</u>	<u>\$ 25,372,383</u>	<u>\$ 26,522,094</u>	<u>\$ 26,957,072</u>
RATE OF RETURN (Allowed - 6.2% as of 1/1/24)	4.31%	6.05%	4.95%	6.19%	5.60%

Electric Financial Outlook

Unrestricted Cash on Hand

	2025	2026	2027	2028	2029
OPERATING CASH FLOWS					
Sales of Electricity	\$ 16,645,487	\$ 18,304,825	\$ 18,439,743	\$ 19,142,703	\$ 19,177,593
Routine Operating Expenditures	(14,348,685)	(15,156,309)	(15,160,934)	(15,441,492)	(15,599,698)
Transfers and Taxes	(608,901)	(619,736)	(768,902)	(769,868)	(766,423)
Miscellaneous Income	210,000	210,000	210,000	210,000	210,000
GASB 68 & GASB 75 Add Back	50,000	51,500	53,040	54,630	56,260
Total Operating Cash Flows	\$ 1,947,901	\$ 2,790,280	\$ 2,772,947	\$ 3,195,973	\$ 3,077,732
CAPITAL AND FINANCING CASH FLOWS					
Acquisition of Capital Assets	\$ (1,651,990)	\$ (12,735,505)	\$ (1,207,235)	\$ (898,960)	\$ (1,129,885)
Principal Paid	(325,841)	(334,275)	(348,046)	(362,167)	(371,654)
Interest Paid	(511,983)	(501,081)	(489,784)	(477,405)	(463,979)
Debt Proceeds	-	11,825,000	-	-	-
Advance to Municipality	-	-	-	-	-
	\$ (2,489,814)	\$ (1,745,860)	\$ (2,045,065)	\$ (1,738,533)	\$ (1,965,518)
INVESTING ACTIVITIES CASH FLOWS					
Investment Income	\$ 188,522	\$ 172,294	\$ 185,409	\$ 216,201	\$ 253,784
ATC Capital Calls	\$ (49,522)	\$ (83,972)	\$ (79,666)	\$ (102,274)	\$ (60,288)
ATC Dividends	\$ 39,122	\$ 43,665	\$ 50,190	\$ 57,273	\$ 65,111
	\$ 178,123	\$ 131,987	\$ 155,932	\$ 171,201	\$ 258,607
Net Change in Cash	\$ (363,791)	\$ 1,176,407	\$ 883,814	\$ 1,628,641	\$ 1,370,821
ENDING CASH BALANCE	\$ 6,683,024	\$ 7,859,432	\$ 8,743,246	\$ 10,371,887	\$ 11,742,708
UNRESTRICTED CASH BALANCE	\$ 5,593,121	\$ 6,767,454	\$ 7,645,952	\$ 9,273,009	\$ 10,638,453
UNRESTRICTED MONTHS ON HAND (Target is 5 Months O&M and PILOT)	3.98	4.39	4.92	5.75	6.58
RATE INCREASE NEEDED	0.00%	8.00%	0.00%	2.75%	0.00%
DEBT ISSUE NEEDED	\$ -	\$ 11,825,000	\$ -	\$ -	\$ -

Electric Financial Outlook

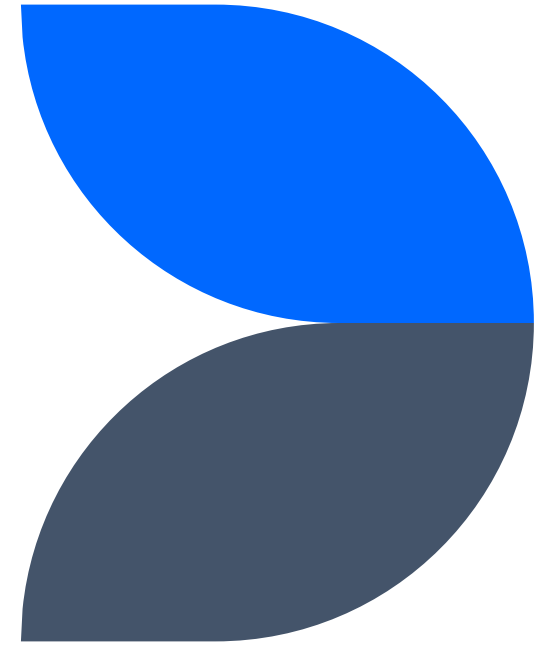
Debt Coverage

DEBT COVERAGE	2025	2026	2027	2028	2029
Operating Revenues	\$ 16,855,487	\$ 18,514,825	\$ 18,649,743	\$ 19,352,703	\$ 19,387,593
Investment Income	\$ 188,522	\$ 172,294	\$ 185,409	\$ 216,201	\$ 253,784
O & M Expenses	(14,541,149)	(15,353,581)	(15,363,139)	(15,648,757)	(15,812,156)
Net Defined Earnings	\$ 2,502,860	\$ 3,333,538	\$ 3,472,013	\$ 3,920,146	\$ 3,829,221
Highest Annual Debt Service Coverage Factor	\$ 839,573 1.30	\$ 839,573 1.30	\$ 839,573 1.30	\$ 835,633 1.30	\$ 838,092 1.30
Minimum Required Earnings	\$ 1,091,444	\$ 1,091,444	\$ 1,091,444	\$ 1,086,323	\$ 1,089,519
ACTUAL DEBT COVERAGE	2.98	3.97	4.14	4.69	4.57



Water

2025 Budget



2025 Water Revenues

	Proposed 2025	% Change 2025/2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING REVENUES							
Residential	\$ 1,566,045	22.5%	\$ 1,278,444	\$ 1,360,811	\$ 1,295,301	\$ 1,228,408	\$ 1,099,460
Multi-family Residential	\$ 169,508	22.1%	\$ 138,791	\$ 138,020	\$ 136,424	\$ 126,996	\$ 119,364
Commercial	\$ 220,446	20.5%	\$ 182,918	\$ 187,074	\$ 177,530	\$ 169,503	\$ 165,033
Industrial	\$ 297,331	23.1%	\$ 241,619	\$ 307,957	\$ 226,260	\$ 263,661	\$ 301,792
Public Authority (City Buildings)	\$ 23,908	22.5%	\$ 19,516	\$ 20,852	\$ 19,911	\$ 18,154	\$ 23,398
Private Fire Protection	\$ 81,741	23.0%	\$ 66,456	\$ 61,404	\$ 65,611	\$ 62,470	\$ 59,590
Public Fire Protection	\$ 752,362	23.2%	\$ 610,707	\$ 642,250	\$ 605,428	\$ 593,648	\$ 568,978
Total Sales	\$ 3,111,341		\$ 2,538,451	\$ 2,718,368	\$ 2,526,465	\$ 2,462,840	\$ 2,337,615
Other Operating Revenues							
Forfeited Discounts (Penalties, NSF, Reconnect)	\$ 7,468	0.0%	\$ 7,468	\$ 7,109	\$ 7,468	\$ 6,440	\$ 6,419
Other (Joint Metering Allocation, Permits)	\$ 60,724	0.0%	\$ 60,724	\$ 39,906	\$ 60,724	\$ 57,335	\$ 40,818
	\$ 68,192		\$ 68,192	\$ 47,015	\$ 68,192	\$ 63,775	\$ 47,237
TOTAL OPERATING REVENUES	\$ 3,179,533		\$ 2,606,643	\$ 2,765,383	\$ 2,594,657	\$ 2,526,615	\$ 2,384,852



2025 Water Expenses

	Proposed 2025	% Change 2025/2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING EXPENSES							\$
Source of Supply (Maintenance of Wells)	\$ -	0.0%	\$ -	\$ 498	\$ -	\$ -	\$ -
Pumping (Well Pumps and Fuel)	\$ 240,106	96.6%	\$ 122,118	\$ 168,089	\$ 162,546	\$ 175,494	\$ 122,902
Water Treatment (Chemicals)	\$ 35,397	-4.3%	\$ 36,987	\$ 49,684	\$ 41,157	\$ 28,048	\$ 22,325
Transmission/Distribution (Mains, Towers, Services, Hydrants)	\$ 250,424	26.6%	\$ 197,789	\$ 225,530	\$ 223,192	\$ 261,292	\$ 157,360
Customer Accounting and Collection	\$ 40,867	-2.2%	\$ 41,805	\$ 37,725	\$ 40,031	\$ 40,766	\$ 38,095
Administrative and General	\$ 331,796	23.4%	\$ 268,960	\$ 346,500	\$ 261,760	\$ 244,017	\$ 252,995
Wages	\$ 507,508	47.0%	\$ 345,271	\$ 503,434	\$ 404,959	\$ 441,735	\$ 453,234
Taxes	\$ 28,798	1.2%	\$ 28,462	\$ 30,232	\$ 27,438	\$ 25,340	\$ 26,374
OPEB, GASB 75, Pensions	\$ 25,000	-50.0%	\$ 50,000	\$ 50,000	\$ 69,426	\$ 47,244	\$ (7,025)
Depreciation	\$ 462,393	5.4%	\$ 438,753	\$ 399,173	\$ 361,673	\$ 356,490	\$ 360,113
PILOT	\$ 413,630	7.6%	\$ 384,472	\$ 409,455	\$ 368,530	\$ 376,315	\$ 412,040
TOTAL OPERATING EXPENSES	\$ 2,335,919		\$ 1,914,617	\$ 2,220,320	\$ 1,960,712	\$ 1,996,741	\$ 1,838,413
OPERATING INCOME (LOSS)	\$ 843,614		\$ 742,026	\$ 545,063	\$ 731,749	\$ 529,874	\$ 546,439
CAPITAL PROJECTS	\$ 1,255,453	-32.5%	\$ 1,860,671	\$ 1,870,400	\$ 153,505	\$ 576,698	\$ 1,564,320
RATE OF RETURN	6.00%		5.60%	4.61%	5.80%	4.44%	4.81%

Water Financial Outlook

Rate of Return

	2025	2026	2027	2028	2029
OPERATING REVENUES					
Sales of Water	\$ 2,277,238	\$ 2,264,545	\$ 2,634,689	\$ 2,620,205	\$ 2,866,188
Public Fire Protection	752,362	753,789	883,314	884,983	975,380
Private Fire Protection	81,741	81,741	95,641	95,641	105,208
Other	68,192	68,192	68,192	68,192	68,192
Total Operating Revenues	\$ 3,179,533	\$ 3,168,267	\$ 3,681,836	\$ 3,669,022	\$ 4,014,968
OPERATING EXPENSES					
Operation and Maintenance	\$ 1,431,097	\$ 1,379,615	\$ 1,369,102	\$ 1,431,196	\$ 1,463,984
Taxes	28,798	29,415	30,905	31,520	32,145
Depreciation (Utility Financed)	462,393	545,761	589,862	616,835	634,952
PILOT	413,630	424,850	504,285	513,894	529,165
Total Operating Expenses	\$ 2,335,919	\$ 2,379,640	\$ 2,494,154	\$ 2,593,446	\$ 2,660,246
REGULATORY OPERATING INCOME	\$ 843,614	\$ 814,377	\$ 1,214,204	\$ 1,102,895	\$ 1,382,861
AVERAGE NET RATE BASE	\$ 14,048,931	\$ 17,422,791	\$ 19,469,872	\$ 21,065,762	\$ 22,320,269
RATE OF RETURN (Allowed - 6.2% 1/1/24)	6.00%	4.67%	6.24%	5.24%	6.20%



Water Financial Outlook

Unrestricted Cash on Hand

	2025	2026	2027	2028	2029
OPERATING CASH FLOWS					
Sales of Water	\$ 3,111,341	\$ 3,100,075	\$ 3,613,644	\$ 3,600,830	\$ 3,946,776
Routine Operating Expenditures	(1,431,097)	(1,379,615)	(1,369,102)	(1,431,196)	(1,463,984)
Transfers and Taxes	(442,429)	(454,265)	(535,190)	(545,415)	(561,310)
Miscellaneous Income	68,192	68,192	68,192	68,192	68,192
GASB 68 & GASB 75 Add Back	25,000	25,750	26,522	27,319	28,139
Total Operating Cash Flows	\$ 1,331,007	\$ 1,360,137	\$ 1,804,066	\$ 1,719,730	\$ 2,017,813
CAPITAL AND FINANCING CASH FLOWS					
Acquisition of capital Assets	\$ (1,255,453)	\$ (6,502,520)	\$ (1,268,540)	\$ (1,698,440)	\$ (1,480,140)
Principal Paid	(381,438)	(395,208)	(360,510)	(373,390)	(403,887)
Interest Paid	(117,564)	(214,578)	(311,237)	(309,038)	(306,786)
Debt Proceeds	-	5,407,000	-	600,000	-
Special Assessments	-	-	-	-	-
	\$ (1,754,455)	\$ (1,705,306)	\$ (1,940,287)	\$ (1,780,868)	\$ (2,190,813)
INVESTING ACTIVITIES CASH FLOWS					
Investment Income	\$ 58,804	\$ 84,206	\$ 81,266	\$ 68,075	\$ 77,217
Net Change in Cash	\$ (364,643)	\$ (260,963)	\$ (54,954)	\$ 6,936	\$ (95,782)
ENDING CASH BALANCE	\$ 2,532,480	\$ 2,271,517	\$ 2,216,563	\$ 2,223,499	\$ 2,127,717
RESTRICTED CASH BALANCE	\$ 774,414	\$ 784,975	\$ 794,333	\$ 815,447	\$ 796,558
UNRESTRICTED CASH BALANCE	\$ 1,758,066	\$ 1,486,542	\$ 1,422,230	\$ 1,408,052	\$ 1,331,159
UNRESTRICTED MONTHS ON HAND	6.64	5.63	4.64	4.61	3.98
RATE INCREASE NEEDED	23.00%	0.00%	17.00%	0.00%	10.00%
DEBT ISSUE NEEDED	\$ -	\$ 5,407,000	\$ -	\$ 600,000	\$ -

Water Financial Outlook

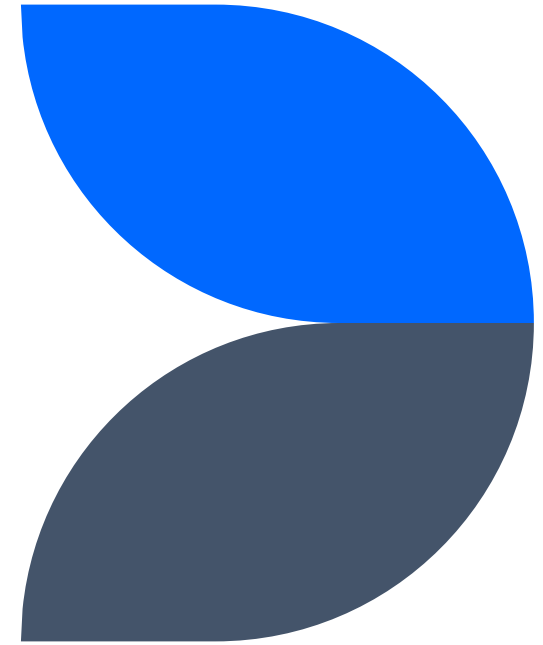
Debt Coverage

DEBT COVERAGE	2025	2026	2027	2028	2029
Operating Revenues	\$ 3,179,533	\$ 3,168,267	\$ 3,681,836	\$ 3,669,022	\$ 4,014,968
Investment Income					
O & M Expenses	(1,459,895)	(1,409,030)	(1,400,007)	(1,462,716)	(1,496,129)
Net Defined Earnings	\$ 1,719,638	\$ 1,759,237	\$ 2,281,830	\$ 2,206,305	\$ 2,518,838
Annual Debt Service	\$ 499,002	\$ 609,786	\$ 671,747	\$ 682,428	\$ 710,673
Coverage Factor	1.30	1.30	1.30	1.30	1.30
Minimum Required Earnings	\$ 648,703	\$ 792,722	\$ 873,271	\$ 887,157	\$ 923,874
ACTUAL DEBT COVERAGE	3.45	2.89	3.40	3.23	3.54



Wastewater

2025 Budget



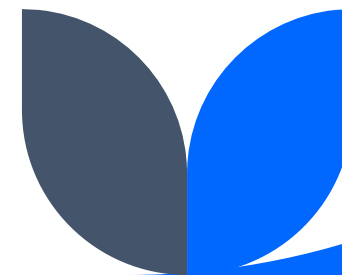
2025 Wastewater Revenues

OPERATING REVENUES	Proposed 2025	% Change 2025/2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
Sales							
Residential	\$ 1,762,871	8.00%	\$ 1,614,800	\$ 1,704,124	\$ 1,604,314	\$ 1,503,416	\$ 1,497,393
Commercial	\$ 531,008	8.00%	\$ 491,674	\$ 519,663	\$ 488,481	\$ 458,552	\$ 441,996
Industrial	\$ 114,391	8.00%	\$ 105,918	\$ 121,565	\$ 105,230	\$ 107,269	\$ 192,817
Public Authority (City Buildings)	\$ 27,866	8.00%	\$ 25,802	\$ 28,095	\$ 25,634	\$ 24,791	\$ 21,813
Total Sales	\$ 2,436,135		\$ 2,238,193	\$ 2,373,447	\$ 2,223,659	\$ 2,094,028	\$ 2,154,019
Other Operating Revenues							
Forfeited Discounts (Penalties, NSF, Reconnect)	\$ 4,760	2.92%	\$ 4,625	\$ 4,611	\$ 4,345	\$ 4,068	\$ 4,897
Other (BOD/Suspended Solids Surcharge)	\$ 32,043	-1.56%	\$ 32,550	\$ 32,192	\$ 32,946	\$ 35,524	\$ 34,974
	\$ 36,803		\$ 37,175	\$ 36,803	\$ 37,291	\$ 39,592	\$ 39,871
Total Operating Revenues	\$ 2,472,938		\$ 2,275,368	\$ 2,410,250	\$ 2,260,950	\$ 2,133,620	\$ 2,193,890



2025 Wastewater Expenses

	Proposed 2025	% Change 2025/2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING EXPENSES							
Plant (General WWTP Plant Maintenance)	\$ 445,377	-9.8%	\$ 493,532	\$ 416,733	\$ 395,616	\$ 351,562	\$ 341,726
Customer Accounting and Collection	\$ 54,712	18.9%	\$ 45,996	\$ 53,943	\$ 62,947	\$ 55,191	\$ 57,502
Administrative and General (Salaries, Benefits, Insurance)	\$ 391,734	12.0%	\$ 349,675	\$ 382,464	\$ 295,310	\$ 291,661	\$ 239,488
Wages	\$ 533,532	8.0%	\$ 493,940	\$ 480,009	\$ 532,822	\$ 441,068	\$ 426,364
Taxes	\$ 35,228	3.0%	\$ 34,202	\$ 34,202	\$ 36,982	\$ 31,305	\$ 31,300
OPEB, GASB 75, Pensions	\$ 25,000	-50.0%	\$ 50,000	\$ 50,000	\$ (5,076)	\$ 67,437	\$ (59,918)
Depreciation	\$ 879,956	-2.5%	\$ 902,351	\$ 959,834	\$ 787,957	\$ 772,166	\$ 774,018
Total Operating Expenses	\$ 2,365,539	-0.2%	\$ 2,369,696	\$ 2,377,185	\$ 2,106,558	\$ 2,010,390	\$ 1,810,480
OPERATING INCOME	\$ 107,401		\$ (94,328)	\$ 33,065	\$ 154,392	\$ 123,230	\$ 383,410
CAPITAL PROJECTS	\$ 972,650	-43.6%	\$ 1,724,403	\$ 1,791,128	\$ 219,810	\$ 606,896	\$ 249,498



Wastewater Financial Outlook

Operating Income

	2025	2026	2027	2028	2029
OPERATING REVENUES					
Treatment Charges	\$ 2,436,135	\$ 2,945,342	\$ 3,559,290	\$ 3,872,793	\$ 3,901,605
Other	36,803	36,435	36,071	35,710	35,353
Total Operating Revenues	\$ 2,472,938	\$ 2,981,777	\$ 3,595,361	\$ 3,908,503	\$ 3,936,958
OPERATING EXPENSES					
Operation and Maintenance	\$ 1,450,354	\$ 1,455,022	\$ 1,534,315	\$ 1,611,980	\$ 1,595,310
Taxes	35,228	36,285	37,373	38,494	39,649
Depreciation	879,956	976,533	1,055,350	1,052,229	1,048,700
Total Operating Expenses	\$ 2,365,538	\$ 2,467,840	\$ 2,627,038	\$ 2,702,703	\$ 2,683,659
OPERATING INCOME	\$ 107,401	\$ 513,937	\$ 968,323	\$ 1,205,800	\$ 1,253,299



Wastewater Financial Outlook

Unrestricted Cash on Hand

	2025	2026	2027	2028	2029
OPERATING CASH FLOWS					
Treatment Charges	\$ 2,436,135	\$ 2,945,342	\$ 3,559,290	\$ 3,872,793	\$ 3,901,605
Routine Operating Expenditures	(1,450,354)	(1,455,022)	(1,534,315)	(1,611,980)	(1,595,310)
Taxes	(35,228)	(36,285)	(37,373)	(38,494)	(39,649)
Miscellaneous Income	36,803	36,435	36,071	35,710	35,353
Total Operating Cash Flows	\$ 987,356	\$ 1,490,470	\$ 2,023,673	\$ 2,258,029	\$ 2,301,999
CAPITAL AND FINANCING CASH FLOWS					
Acquisition of Capital Assets	\$ (972,650)	\$ (7,766,775)	\$ (1,586,645)	\$ (1,103,000)	\$ (1,948,675)
Principal Paid	(307,277)	(315,568)	(446,668)	(379,823)	(392,058)
Interest Paid	(94,607)	(223,702)	(360,616)	(358,171)	(359,231)
Debt Proceeds	-	6,875,000	700,000	-	900,000
GASB 68 & GASB 75 - No Cash Spent	25,000	25,760	26,540	27,340	28,160
Special Assessments	-	-	-	-	-
	\$ (1,349,534)	\$ (1,405,285)	\$ (1,667,389)	\$ (1,813,654)	\$ (1,771,804)
INVESTING ACTIVITIES CASH FLOWS					
Investment Income	\$ 60,000	\$ 92,095	\$ 90,221	\$ 66,595	\$ 75,969
Net Change in Cash	\$ (302,177)	\$ 177,280	\$ 446,506	\$ 510,970	\$ 606,163
ENDING CASH BALANCE (Less Investments)	\$ 2,918,739	\$ 3,096,020	\$ 3,542,525	\$ 4,053,495	\$ 4,659,658
RESTRICTED CASH BALANCE	\$ 2,050,675	\$ 2,428,442	\$ 2,305,197	\$ 2,303,453	\$ 2,476,194
UNRESTRICTED CASH BALANCE	\$ 868,064	\$ 667,578	\$ 1,237,329	\$ 1,750,042	\$ 2,183,464
	\$ -	\$ -	\$ -	\$ -	\$ -
UNRESTRICTED MONTHS ON HAND	4.21	2.69	4.13	5.37	6.66
RATE INCREASE NEEDED	8.00%	20.00%	20.00%	8.00%	0.00%
DEBT ISSUE NEEDED	\$ -	\$ 6,875,000	\$ 700,000	\$ -	\$ 900,000

Wastewater Financial Outlook

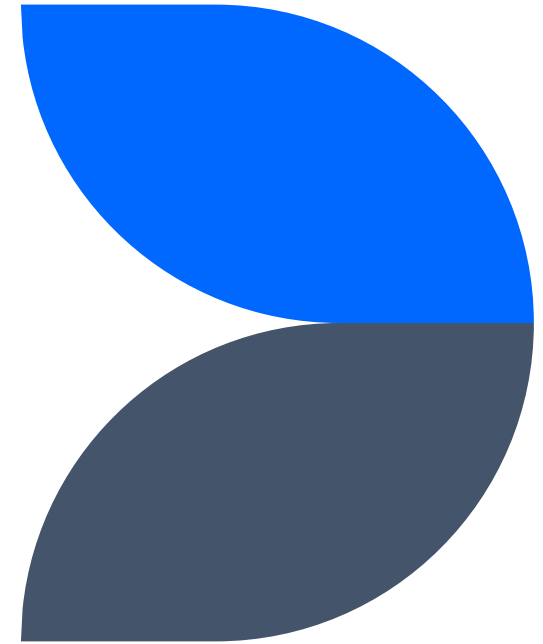
Debt Coverage

DEBT COVERAGE	2025	2026	2027	2028	2029
Operating Revenues	\$ 2,472,938	\$ 2,981,777	\$ 3,595,361	\$ 3,908,503	\$ 3,936,958
Investment Income	60,000	92,095	90,221	66,595	75,969
O & M Expenses	(1,485,582)	(1,491,307)	(1,571,688)	(1,650,474)	(1,634,959)
Net Defined Earnings	\$ 1,047,356	\$ 1,582,565	\$ 2,113,895	\$ 2,324,624	\$ 2,377,967
Highest Annual Debt Service Coverage Factor	\$ 539,270 1.10	\$ 807,284 1.10	\$ 737,994 1.10	\$ 751,289 1.10	\$ 887,570 1.10
Minimum Required Earnings	\$ 593,197	\$ 888,012	\$ 811,793	\$ 826,418	\$ 976,327
ACTUAL DEBT COVERAGE	1.94	1.96	2.86	3.09	2.68



Rate Impacts

2025 Budget



Electric Rate Comparison

STOUGHTON ELECTRIC UTILITY
ELECTRIC RATE COMPARISON - BASED ON 2024 ACTUALS (JAN-MAR) AND BUDGET
MONTHLY BILL CALCULATION

RESIDENTIAL RATES	Stoughton (1)	IOU-3 (2)	Percent Above or Below	IOU-4 (3)	Percent Above or Below	IOU-1 (4)	Percent Above or Below	IOU-5 (5)	Percent Above or Below	IOU-2 (6)	Percent Above or Below
100 kWh	\$25.01	\$32.20	28.8%	\$31.13	24.5%	\$30.11	20.4%	\$29.07	16.2%	\$32.25	28.9%
500 kWh	\$69.05	\$101.02	46.3%	\$83.99	21.6%	\$90.54	31.1%	\$85.33	23.6%	\$101.24	46.6%
750 kWh	\$96.58	\$144.02	49.1%	\$117.02	21.2%	\$128.30	32.9%	\$120.50	24.8%	\$144.35	49.5%
1,000 kWh	\$124.10	\$187.03	50.7%	\$150.05	20.9%	\$166.07	33.8%	\$155.67	25.4%	\$187.47	51.1%
2,000 kWh	\$234.20	\$359.06	53.3%	\$282.18	20.5%	\$317.14	35.4%	\$296.33	26.5%	\$359.94	53.7%



Water Rate Comparison

Utility Name	County	Utility Class	Minimum Monthly Bill (5/8" Meter)	Usage Charge (4000 Gal)	Total Bill	Effective Date	Footnote
Windsor Sanitary District Number One	Dane	C	\$ 8.46	\$ 5.76	\$ 14.22	05/31/15	
Middleton Municipal Water Utility	Dane	AB	\$ 5.74	\$ 10.44	\$ 16.18	03/15/22	
Fitchburg Water Utility	Dane	AB	\$ 6.00	\$ 10.25	\$ 16.25	03/16/24	
Waunakee Water And Light Commission	Dane	AB	\$ 6.75	\$ 10.60	\$ 17.35	12/01/15	1
DeForest Municipal Water Utility	Dane	C	\$ 7.21	\$ 12.16	\$ 19.37	01/01/21	
Oregon Municipal Water And Sewer Utility	Dane	AB	\$ 7.00	\$ 12.72	\$ 19.72	10/31/23	
Westport Water Utility District	Dane	D	\$ 8.00	\$ 11.72	\$ 19.72	08/24/13	1
Mount Horeb Water And Sewer Utility	Dane	C	\$ 7.50	\$ 12.40	\$ 19.90	06/01/16	1
Sun Prairie Utilities	Dane	AB	\$ 9.97	\$ 10.40	\$ 20.37	01/01/24	
Verona Water Utility	Dane	AB	\$ 7.00	\$ 13.92	\$ 20.92	09/16/19	
Stoughton Water Utility	Dane	AB	\$ 10.15	\$ 14.20	\$ 24.35	03/01/22	
Mazomanie Water Utility	Dane	D	\$ 12.03	\$ 12.72	\$ 24.75	02/01/24	
Brooklyn Water Utility	Dane	D	\$ 9.92	\$ 15.20	\$ 25.12	07/26/24	
Edgerton Municipal Water Utility	Dane	C	\$ 9.05	\$ 16.16	\$ 25.21	12/01/23	1
Marshall Water And Sewer Utility	Dane	C	\$ 8.90	\$ 16.60	\$ 25.50	07/21/16	1
Mcfarland Water and Sewer Utility	Dane	C	\$ 12.00	\$ 14.68	\$ 26.68	05/15/24	
Dane Water and Sewer Utility	Dane	D	\$ 10.80	\$ 16.20	\$ 27.00	12/01/23	
Monona Water Utility	Dane	C	\$ 11.00	\$ 17.97	\$ 28.97	07/01/21	
Stoughton Water Utility	Dane	AB	\$ 12.48	\$ 17.48	\$ 29.96	01/01/25	
Windsor Water Utility	Dane	C	\$ 14.50	\$ 16.16	\$ 30.66	03/21/24	
Cottage Grove Water and Sewer Utility	Dane	C	\$ 11.60	\$ 19.24	\$ 30.84	04/01/24	
Village of Black Earth Water Utility	Dane	D	\$ 12.00	\$ 19.72	\$ 31.72	08/15/19	
Deerfield Water Utility	Dane	C	\$ 12.00	\$ 20.60	\$ 32.60	09/28/17	
Madison Water Utility	Dane	AB	\$ 14.00	\$ 19.90	\$ 33.90	03/01/23	
Cross Plains Water Utility	Dane	C	\$ 10.00	\$ 25.52	\$ 35.52	07/10/24	
Belleville Municipal Water and Sewer Utility	Dane	C	\$ 12.00	\$ 23.92	\$ 35.92	12/01/20	
Village of Blue Mounds Municipal Water Utility	Dane	D	\$ 11.00	\$ 29.33	\$ 40.33	12/20/23	
Village of Shorewood Hills Water Utility	Dane	D	\$ 11.94	\$ 34.77	\$ 46.71	05/30/23	
Applewood Hill Water Utility	Dane	D	\$ 15.00	\$ 35.12	\$ 50.12	01/05/19	
Village of Maple Bluff Municipal Water Utility	Dane	D	\$ 18.00	\$ 45.87	\$ 63.87	12/26/23	
Cambridge Municipal Water Utility	Dane	D	\$ 22.00	\$ 55.00	\$ 77.00	05/01/24	



Wastewater Rate Comparison

Fitchburg 01/01/24	Oregon 10/31/23	Stoughton 2/1/2024	Madison 06/01/24	Stoughton 1/1/2025	Monona 07/01/21	McFarland 06/11/23	Stoughton 1/1/2026	Edgerton 01/01/21	Cottage Grove 04/01/24	Evansville 01/01/22	Deerfield 01/01/22
30,834	11,610	12,846	272,903	12,846	8,585	9,378	12,846	5,934	8,857	5,820	2,454
\$ 14.93	\$ 7.13	\$ 11.12	\$ 16.44	\$ 12.01	\$ 17.48	\$ 16.50	\$ 14.41	\$ 13.99	\$ 18.04	\$ 15.00	\$ 27.50
\$ 14.93	\$ 7.13	\$ 11.12	\$ 16.44	\$ 12.01	\$ 17.48	\$ 16.50	\$ 14.41	\$ 13.99	\$ 18.04	\$ 15.00	\$ 27.50
\$ 19.67	\$ 17.67	\$ 17.07	\$ 33.22	\$ 18.44	\$ 25.49	\$ 23.95	\$ 22.13	\$ 19.39	\$ 29.38	\$ 37.50	\$ 61.50
\$ -	\$ 24.70	\$ 22.80	\$ -	\$ 24.62	\$ -	\$ 28.89	\$ 29.54	\$ 23.08	\$ -	\$ 52.50	\$ -
\$ 31.47	\$ 24.70	\$ 26.97	\$ 61.18	\$ 29.13	\$ 39.34	\$ 35.89	\$ 34.96	\$ 28.61	\$ 48.71	\$ 75.00	\$ 118.00
\$ 45.77	\$ 35.24	\$ 38.86	\$ 94.73	\$ 41.97	\$ 54.66	\$ 50.66	\$ 50.36	\$ 39.69	\$ 72.28	\$ 120.00	\$ 185.50
\$ 78.97	\$ 56.33	\$ 66.57	\$ 173.01	\$ 71.90	\$ 99.08	\$ 84.11	\$ 86.28	\$ 65.68	\$ 126.21	\$ 225.00	\$ -
\$ 125.83	\$ 175.81	\$ 106.16	\$ 284.84	\$ 114.65	\$ 142.76	\$ 132.23	\$ 137.58	\$ 139.81	\$ 203.84	\$ 375.00	\$ 569.50
\$ 244.03	\$ 351.52	\$ 222.40	\$ 564.43	\$ 240.19	\$ -	\$ 253.23	\$ 288.23	\$ 195.19	\$ -	\$ 750.00	\$ -
\$ 3.45	\$ 5.42	\$ 5.45	\$ 4.68	\$ 5.89	\$ 5.21	\$ 5.50	\$ 7.07	\$ 7.67	\$ 8.17	\$ 9.63	\$ 9.50
									\$ 7.20		
\$ 28.73	\$ 28.81	\$ 32.92	\$ 35.15	\$ 35.57	\$ 38.32	\$ 38.50	\$ 42.69	\$ 44.67	\$ 50.72	\$ 53.50	\$ 65.50

Bill Impacts

Average Residential Customer

	ELECTRIC	Revenue Requirement % Increase	WATER	Revenue Requirement % Increase	SEWER	Revenue Requirement % Increase	TOTAL/MO
2024	\$ 2.79	3.29%	\$ -	0.00%	\$ -	8.00%	\$ 2.79
2025	\$ -	0.00%	\$ 5.61	23.00%	\$ 2.65	8.00%	\$ 8.26
2026	\$ 10.15	8.00%	\$ -	0.00%	\$ 7.13	20.00%	\$ 17.28
2027	\$ -	0.00%	\$ 5.08	17.00%	\$ 8.52	20.00%	\$ 13.60
2028	\$ 2.76	2.75%	\$ -	0.00%	\$ 4.10	8.00%	\$ 6.86
2029	\$ -	0.00%	\$ 3.50	10.00%	\$ -	0.00%	\$ 3.50
2030	\$ -	0.00%	\$ -	0.00%	\$ 4.42	8.00%	\$ 4.42

After the 5-year cycle, the average residential customer’s bill is estimated to increase \$49.50 per month



Questions



STOUGHTON UTILITIES

Proposed Annual Budget for the Year
2025

**FOR THE FISCAL YEAR
JANUARY 1, 2025 THROUGH
DECEMBER 31, 2025**



**Stoughton Utilities
2025 Proposed Budget Summary**

accounting shared/budget/

	<u>Electric</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
OPERATING REVENUES	\$ 16,855,486	\$ 3,179,533	\$ 2,472,938	\$ 22,507,957
OPERATING EXPENSES				
Operation & Maintenance Expense	\$ 14,541,149	\$ 1,459,896	\$ 1,485,583	\$ 17,486,628
Taxes (PILOT)	\$ 416,437	\$ 413,630	\$ -	\$ 830,067
Depreciation	\$ 1,181,595	\$ 462,393	\$ 879,956	\$ 2,523,944
Total Operating Expenses	\$ 16,139,181	\$ 2,335,919	\$ 2,365,539	\$ 20,840,639
OPERATING INCOME	\$ 716,305	\$ 843,614	\$ 107,401	\$ 1,667,318
RATE OF RETURN (ROR)	4.31%	6.00%	N/A	

**STOUGHTON UTILITIES
OPERATING REVENUES AND EXPENSES
FORECASTED FOR THE YEAR 2025**

10/11/2024 13:03

	Proposed 2025	% Change 2025-2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING REVENUES							
Total Sales	\$ 22,192,962	5.6%	\$ 21,011,254	\$ 21,400,109	\$ 20,310,202	\$ 20,912,352	\$ 19,875,375
Other Operating Revenues							
Total Other Operating Revenues	\$ 314,995	1.5%	\$ 310,431	\$ 283,818	\$ 321,628	\$ 333,915	\$ 251,428
TOTAL OPERATING REVENUES	\$ 22,507,957	5.6%	\$ 21,321,685	\$ 21,683,927	\$ 20,631,830	\$ 21,246,267	\$ 20,126,803
OPERATING EXPENSES	15,000,976	6.0%	\$ 14,154,068	\$ 14,691,937	\$ 13,890,372	\$ 14,605,709	\$ 13,496,700
Taxes	\$ 256,490	2.4%	\$ 250,442	\$ 231,592	\$ 247,476	\$ 247,175	\$ 218,952
OPEB, GASB 75, Pensions	\$ 100,000	-47.4%	\$ 190,000	\$ 190,000	\$ 89,573	\$ (9,046)	\$ (13,322)
Wages	\$ 2,129,162	9.6%	\$ 1,943,173	\$ 2,080,671	\$ 2,000,516	\$ 1,762,736	\$ 1,563,696
Depreciation	\$ 2,523,944	0.1%	\$ 2,520,578	\$ 2,566,569	\$ 2,214,958	\$ 2,341,355	\$ 2,200,089
PILOT	\$ 830,067	5.6%	\$ 785,795	\$ 851,575	\$ 745,028	\$ 756,567	\$ 850,067
TOTAL OPERATING EXPENSES	\$ 20,840,639	5.0%	\$ 19,844,056	\$ 20,612,344	\$ 19,187,923	\$ 19,704,496	\$ 18,316,182
REGULATORY OPERATING INCOME (LOSS)	\$ 1,667,318		\$ 1,477,629	\$ 1,071,583	\$ 1,443,907	\$ 1,541,771	\$ 1,810,621
CAPITAL PROJECTS	\$ 3,880,093	-33.2%	\$ 5,804,663	\$ 6,015,028	\$ 2,231,171	\$ 1,834,209	\$ 3,074,722

STOUGHTON ELECTRIC UTILITY
OPERATING REVENUES AND EXPENSES
FORECASTED FOR THE YEAR 2025

10/11/2024 13:03

	Proposed 2025	% Change 2025-2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING REVENUES							
Residential	\$ 8,393,274	2.1%	\$ 8,221,631	\$ 8,722,883	\$ 8,000,787	\$ 8,439,374	\$ 8,044,072
General Service	\$ 2,518,677	2.0%	\$ 2,469,324	\$ 2,250,391	\$ 2,404,048	\$ 2,466,874	\$ 2,138,585
Small Power CP1 Customers	\$ 1,474,871	2.9%	\$ 1,432,947	\$ 1,440,146	\$ 1,396,529	\$ 1,490,474	\$ 1,587,267
Large Power CP2 Customers	\$ 1,318,536	3.6%	\$ 1,273,136	\$ 1,314,033	\$ 1,318,572	\$ 1,509,864	\$ 1,099,343
Industrial Power CP3 Customers	\$ 2,836,531	3.7%	\$ 2,735,210	\$ 2,469,003	\$ 2,343,244	\$ 2,352,565	\$ 2,423,129
Street Lighting	\$ 103,597	1.2%	\$ 102,362	\$ 111,838	\$ 96,898	\$ 96,333	\$ 91,345
Total Sales	\$ 16,645,486	2.5%	\$ 16,234,610	\$ 16,308,294	\$ 15,560,078	\$ 16,355,484	\$ 15,383,741
Other Operating Revenues							
Forfeited Discounts (Penalties, NSF, Reconnect)	\$ 35,000	0.0%	\$ 35,000	\$ 35,000	\$ 34,920	\$ 31,997	\$ 33,082
Other (Permits, ATC Common Facilities, etc.)	\$ 175,000	2.9%	\$ 170,064	\$ 165,000	\$ 181,225	\$ 198,551	\$ 131,238
Total Other Operating Revenues	\$ 210,000	2.4%	\$ 205,064	\$ 200,000	\$ 216,145	\$ 230,548	\$ 164,320
TOTAL OPERATING REVENUES	\$ 16,855,486	2.5%	\$ 16,439,674	\$ 16,508,294	\$ 15,776,223	\$ 16,586,032	\$ 15,548,061
OPERATING EXPENSES							
Power Production Expenses (WPPI-Wholesale Power)	\$ 11,886,589	4.3%	\$ 11,398,882	\$ 11,877,730	\$ 11,541,054	\$ 12,254,384	\$ 11,325,693
Transmission/Distribution	\$ 345,770	15.5%	\$ 299,333	\$ 335,584	\$ 251,616	\$ 288,682	\$ 365,580
Customer Accounting and Collection	\$ 193,899	2.7%	\$ 188,775	\$ 175,050	\$ 187,464	\$ 205,447	\$ 191,400
Administrative and General	\$ 784,305	10.4%	\$ 710,216	\$ 622,407	\$ 427,679	\$ 409,165	\$ 381,634
Taxes	\$ 192,464	2.5%	\$ 187,778	\$ 167,158	\$ 183,056	\$ 190,530	\$ 161,278
OPEB, GASB 75, Pensions	\$ 50,000	-44.4%	\$ 90,000	\$ 90,000	\$ 25,223	\$ (123,727)	\$ 53,621
Wages	\$ 1,088,122	-1.4%	\$ 1,103,962	\$ 1,097,228	\$ 1,062,735	\$ 879,933	\$ 684,098
Depreciation	\$ 1,181,595	0.2%	\$ 1,179,474	\$ 1,207,562	\$ 1,065,328	\$ 1,212,699	\$ 1,065,958
PILOT	\$ 416,437	3.8%	\$ 401,323	\$ 442,120	\$ 376,498	\$ 380,252	\$ 438,027
TOTAL OPERATING EXPENSES	\$ 16,139,181	3.7%	\$ 15,559,743	\$ 16,014,839	\$ 15,120,653	\$ 15,697,365	\$ 14,667,289
OPERATING INCOME (LOSS)	\$ 716,305		\$ 879,931	\$ 493,455	\$ 655,570	\$ 888,667	\$ 880,772
CAPITAL PROJECTS	\$ 1,651,990	-25.6%	\$ 2,219,589	\$ 2,353,500	\$ 1,857,856	\$ 650,615	\$ 1,260,904
RATE OF RETURN	4.31%		5.52%	3.05%	4.22%	5.85%	5.91%

2025 ELECTRIC BUDGET

	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
OPERATING REVENUES	ACTUAL	ACTUAL	ACTUAL	BUDGETED	ESTIMATED					
Sales of Electricity	\$ 15,383,741	\$ 16,355,484	\$ 15,560,078	\$ 16,308,294	\$ 16,234,610	\$ 16,645,487	\$ 18,304,825	\$ 18,439,743	\$ 19,142,703	\$ 19,177,593
Other	164,320	230,548	216,145	200,000	205,064	210,000	210,000	210,000	210,000	210,000
Total Operating Revenues	\$ 15,548,061	\$ 16,586,032	\$ 15,776,223	\$ 16,508,294	\$ 16,439,674	\$ 16,855,487	\$ 18,514,825	\$ 18,649,743	\$ 19,352,703	\$ 19,387,593
OPERATING EXPENSES										
Purchased Power	\$ 11,325,693	\$ 12,254,384	\$ 11,541,054	\$ 11,877,730	\$ 11,398,882	\$ 11,886,589	\$ 12,452,154	\$ 12,592,880	\$ 12,794,655	\$ 12,842,891
Operation and Maintenance	1,676,333	1,659,500	1,954,717	2,320,269	2,392,285	2,462,096	2,704,155	2,568,055	2,646,837	2,756,808
Taxes	161,278	190,530	183,056	167,158	187,778	192,464	197,272	202,204	207,265	212,458
Depreciation (Utility Financed)	1,065,958	1,212,699	1,065,328	1,207,562	1,179,474	1,181,595	1,375,428	1,462,745	1,498,981	1,511,036
PILOT	438,027	380,252	376,498	442,120	401,323	416,437	422,464	566,697	562,602	553,965
Total Operating Expenses	\$ 14,667,289	\$ 15,697,365	\$ 15,120,653	\$ 16,014,839	\$ 15,559,742	\$ 16,139,181	\$ 17,151,473	\$ 17,392,581	\$ 17,710,341	\$ 17,877,157
SALES TO PURCHASED POWER MARGIN - W/ INCR	35.83%	33.47%	34.82%	37.30%	42.42%	40.04%	47.00%	46.43%	49.61%	49.32%
REGULATORY OPERATING INCOME	\$ 880,772	\$ 888,667	\$ 655,570	\$ 493,455	\$ 879,931	\$ 716,305	\$ 1,363,352	\$ 1,257,162	\$ 1,642,362	\$ 1,510,436
AVERAGE NET RATE BASE	\$ 14,892,242	\$ 15,203,222	\$ 15,521,258	\$ 16,169,041	\$ 15,930,040	\$ 16,632,749	\$ 22,540,736	\$ 25,372,383	\$ 26,522,094	\$ 26,957,072
RATE OF RETURN (Allowed - 6.2% as of 1/1/24)	5.91%	5.85%	4.22%	3.05%	5.52%	4.31%	6.05%	4.95%	6.19%	5.60%
OPERATING CASH FLOWS	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
Sales of Electricity	\$ 15,383,741	\$ 16,355,484	\$ 15,560,078	\$ 16,308,294	\$ 16,234,610	\$ 16,645,487	\$ 18,304,825	\$ 18,439,743	\$ 19,142,703	\$ 19,177,593
Routine Operating Expenditures	(13,002,026)	(13,913,884)	(13,495,771)	(14,197,999)	(13,791,167)	(14,348,685)	(15,156,309)	(15,160,934)	(15,441,492)	(15,599,698)
Transfers and Taxes	(607,273)	(570,782)	(559,554)	(637,158)	(589,101)	(608,901)	(619,736)	(768,902)	(768,868)	(766,423)
Miscellaneous Income	164,320	230,548	216,145	200,000	205,064	210,000	210,000	210,000	210,000	210,000
GASB 68 & GASB 75 Add Back	-	-	-	90,000	90,000	50,000	51,500	53,040	54,630	56,260
Total Operating Cash Flows	\$ 1,938,762	\$ 2,101,366	\$ 1,720,898	\$ 1,763,137	\$ 2,149,405	\$ 1,947,901	\$ 2,790,280	\$ 2,772,947	\$ 3,195,973	\$ 3,077,732
CAPITAL AND FINANCING CASH FLOWS										
Acquisition of Capital Assets	\$ (1,260,904)	\$ (650,615)	\$ (1,857,856)	\$ (2,353,500)	\$ (2,219,589)	\$ (1,651,990)	\$ (12,735,505)	\$ (1,207,235)	\$ (898,960)	\$ (1,129,885)
Principal Paid	(670,000)	(685,000)	(690,000)	(110,000)	(110,000)	(325,841)	(334,275)	(348,046)	(362,167)	(371,654)
Interest Paid	(84,310)	(69,034)	(55,046)	(45,450)	(281,950)	(511,983)	(501,081)	(489,784)	(477,405)	(463,979)
Debt Proceeds	-	-	-	-	-	-	11,825,000	-	-	-
Advance to Municipality	-	-	-	-	-	-	-	-	-	-
Total Capital and Financing Cash Flows	\$ (2,015,214)	\$ (1,404,649)	\$ (2,602,902)	\$ (2,508,950)	\$ (2,611,539)	\$ (2,489,814)	\$ (1,745,860)	\$ (2,045,065)	\$ (1,738,533)	\$ (1,965,518)
INVESTING ACTIVITIES CASH FLOWS										
Investment Income	\$ 56,550	\$ 62,436	\$ 209,183	\$ 294,513	\$ 204,314	\$ 188,522	\$ 172,294	\$ 185,409	\$ 216,201	\$ 253,784
ATC Capital Calls	-	-	-	-	\$ (16,148)	\$ (49,522)	\$ (83,972)	\$ (79,666)	\$ (102,274)	\$ (60,288)
ATC Dividends	-	-	-	-	\$ 32,296	\$ 39,122	\$ 43,665	\$ 50,190	\$ 57,273	\$ 65,111
Total Investing Cash Flows	\$ 56,550	\$ 62,436	\$ 209,183	\$ 294,513	\$ 220,462	\$ 178,123	\$ 131,987	\$ 155,932	\$ 171,201	\$ 258,607
Net Change in Cash	\$ (19,902)	\$ 759,153	\$ (672,821)	\$ (451,300)	\$ (241,672)	\$ (363,791)	\$ 1,176,407	\$ 883,814	\$ 1,628,641	\$ 1,370,821
ENDING CASH BALANCE	\$ 7,270,642	\$ 8,025,262	\$ 7,288,487	\$ 5,850,713	\$ 7,046,815	\$ 6,683,024	\$ 7,859,432	\$ 8,743,246	\$ 10,371,887	\$ 11,742,708
UNRESTRICTED CASH BALANCE	\$ 6,251,767	\$ 6,945,922	\$ 6,675,006	\$ 5,232,289	\$ 5,893,145	\$ 5,593,121	\$ 6,767,454	\$ 7,645,952	\$ 9,273,009	\$ 10,638,453
UNRESTRICTED MONTHS ON HAND (Target is 5 Months O&M and PILOT)	4.83	5.03	5.08	3.80	4.30	3.98	4.39	4.92	5.75	6.58
RATE INCREASE NEEDED	0.00%	0.00%	0.00%	0.00%	3.29%	0.00%	8.00%	0.00%	2.75%	0.00%
DEBT ISSUE NEEDED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,825,000	\$ -	\$ -	\$ -
DEBT COVERAGE	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
Operating Revenues	\$ 15,545,034	\$ 16,586,032	\$ 15,776,223	\$ 16,508,294	\$ 16,439,674	\$ 16,855,487	\$ 18,514,825	\$ 18,649,743	\$ 19,352,703	\$ 19,387,593
Investment Income	\$ 56,550	\$ 62,436	\$ 209,183	\$ 294,513	\$ 204,314	\$ 188,522	\$ 172,294	\$ 185,409	\$ 216,201	\$ 253,784
O & M Expenses	(13,163,306)	(14,104,414)	(13,678,827)	(14,365,157)	(13,978,946)	(14,541,149)	(15,353,581)	(15,363,139)	(15,648,757)	(15,812,156)
Net Defined Earnings	\$ 2,438,278	\$ 2,544,054	\$ 2,306,579	\$ 2,437,650	\$ 2,665,042	\$ 2,502,860	\$ 3,333,538	\$ 3,472,013	\$ 3,920,146	\$ 3,829,221
Highest Annual Debt Service	\$ 753,438	\$ 743,856	\$ 160,425	\$ 160,425	\$ 839,573	\$ 839,573	\$ 839,573	\$ 839,573	\$ 835,633	\$ 838,092
Coverage Factor	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Minimum Required Earnings	\$ 979,469	\$ 967,013	\$ 208,553	\$ 208,553	\$ 1,091,444	\$ 1,091,444	\$ 1,091,444	\$ 1,091,444	\$ 1,086,323	\$ 1,089,519
ACTUAL DEBT COVERAGE	3.24	3.42	14.38	15.19	3.17	2.98	3.97	4.14	4.69	4.57

**STOUGHTON WATER UTILITY
OPERATING REVENUES AND EXPENSES
FORECASTED FOR THE YEAR 2025**

10/11/2024 13:03

	Proposed 2025	% Change 2025/2024	Estimated 2024	Budgeted 2024	Actual 2023	Actual 2022	Actual 2021
OPERATING REVENUES							
Residential	\$ 1,566,045	22.5%	\$ 1,278,444	\$ 1,360,811	\$ 1,295,301	\$ 1,228,408	\$ 1,099,460
Multi-family Residential	\$ 169,508	22.1%	\$ 138,791	\$ 138,020	\$ 136,424	\$ 126,996	\$ 119,364
Commercial	\$ 220,446	20.5%	\$ 182,918	\$ 187,074	\$ 177,530	\$ 169,503	\$ 165,033
Industrial	\$ 297,331	23.1%	\$ 241,619	\$ 307,957	\$ 226,260	\$ 263,661	\$ 301,792
Public Authority (City Buildings)	\$ 23,908	22.5%	\$ 19,516	\$ 20,852	\$ 19,911	\$ 18,154	\$ 23,398
Private Fire Protection	\$ 81,741	23.0%	\$ 66,456	\$ 61,404	\$ 65,611	\$ 62,470	\$ 59,590
Public Fire Protection	\$ 752,362	23.2%	\$ 610,707	\$ 642,250	\$ 605,428	\$ 593,648	\$ 568,978
Total Sales	\$ 3,111,341		\$ 2,538,451	\$ 2,718,368	\$ 2,526,465	\$ 2,462,840	\$ 2,337,615
Other Operating Revenues							
Forfeited Discounts (Penalties, NSF, Reconnect)	\$ 7,468	0.0%	\$ 7,468	\$ 7,109	\$ 7,468	\$ 6,440	\$ 6,419
Other (Joint Metering Allocation, Permits)	\$ 60,724	0.0%	\$ 60,724	\$ 39,906	\$ 60,724	\$ 57,335	\$ 40,818
	\$ 68,192		\$ 68,192	\$ 47,015	\$ 68,192	\$ 63,775	\$ 47,237
TOTAL OPERATING REVENUES	\$ 3,179,533		\$ 2,606,643	\$ 2,765,383	\$ 2,594,657	\$ 2,526,615	\$ 2,384,852
OPERATING EXPENSES							
Source of Supply (Maintenance of Wells)	\$ -	0.0%	\$ -	\$ 498	\$ -	\$ -	\$ -
Pumping (Well Pumps and Fuel)	\$ 240,106	96.6%	\$ 122,118	\$ 168,089	\$ 162,546	\$ 175,494	\$ 122,902
Water Treatment (Chemicals)	\$ 35,397	-4.3%	\$ 36,987	\$ 49,684	\$ 41,157	\$ 28,048	\$ 22,325
Transmission/Distribution (Mains, Towers, Services, Hydrants)	\$ 250,424	26.6%	\$ 197,789	\$ 225,530	\$ 223,192	\$ 261,292	\$ 157,360
Customer Accounting and Collection	\$ 40,867	-2.2%	\$ 41,805	\$ 37,725	\$ 40,031	\$ 40,766	\$ 38,095
Administrative and General	\$ 331,796	23.4%	\$ 268,960	\$ 346,500	\$ 261,760	\$ 244,017	\$ 252,995
Wages	\$ 507,508	47.0%	\$ 345,271	\$ 503,434	\$ 404,959	\$ 441,735	\$ 453,234
Taxes	\$ 28,798	1.2%	\$ 28,462	\$ 30,232	\$ 27,438	\$ 25,340	\$ 26,374
OPEB, GASB 75, Pensions	\$ 25,000	-50.0%	\$ 50,000	\$ 50,000	\$ 69,426	\$ 47,244	\$ (7,025)
Depreciation	\$ 462,393	5.4%	\$ 438,753	\$ 399,173	\$ 361,673	\$ 356,490	\$ 360,113
PILOT	\$ 413,630	7.6%	\$ 384,472	\$ 409,455	\$ 368,530	\$ 376,315	\$ 412,040
TOTAL OPERATING EXPENSES	\$ 2,335,919	22.0%	\$ 1,914,617	\$ 2,220,320	\$ 1,960,712	\$ 1,996,741	\$ 1,838,413
OPERATING INCOME (LOSS)	\$ 843,614		\$ 742,026	\$ 545,063	\$ 731,749	\$ 529,874	\$ 546,439
CAPITAL PROJECTS	\$ 1,255,453	-32.5%	\$ 1,860,671	\$ 1,870,400	\$ 153,505	\$ 576,698	\$ 1,564,320
RATE OF RETURN	6.00%		5.60%	4.61%	5.80%	4.44%	4.81%

2025 WATER BUDGET

	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
OPERATING REVENUES	ACTUAL	ACTUAL	ACTUAL	BUDGETED	ESTIMATED					
Sales of Water	\$ 1,709,047	\$ 1,806,722	\$ 1,855,426	\$ 2,014,714	\$ 1,861,288	\$ 2,277,238	\$ 2,264,545	\$ 2,634,689	\$ 2,620,205	\$ 2,866,188
Public Fire Protection	568,978	593,648	605,428	642,250	610,707	752,362	753,789	883,314	884,983	975,380
Private Fire Protection	59,590	62,470	65,611	61,404	66,456	81,741	95,641	95,641	95,641	105,208
Other	47,237	63,775	68,192	47,015	68,192	68,192	68,192	68,192	68,192	68,192
Total Operating Revenues	\$ 2,384,852	\$ 2,526,615	\$ 2,594,657	\$ 2,765,383	\$ 2,606,643	\$ 3,179,533	\$ 3,168,267	\$ 3,681,836	\$ 3,669,022	\$ 4,014,968
OPERATING EXPENSES										
Operation and Maintenance	\$ 1,039,886	\$ 1,238,596	\$ 1,203,071	\$ 1,381,460	\$ 1,062,930	\$ 1,431,097	\$ 1,379,615	\$ 1,369,102	\$ 1,431,196	\$ 1,463,984
Taxes	26,374	25,340	27,438	30,232	28,462	28,798	29,415	30,905	31,520	32,145
Depreciation (Utility Financed)	360,113	356,490	361,673	399,173	438,753	462,393	545,761	589,862	616,835	634,952
PILOT	412,040	376,315	368,530	409,455	384,472	413,630	424,850	504,285	513,894	529,165
Total Operating Expenses	\$ 1,838,413	\$ 1,996,741	\$ 1,960,712	\$ 2,220,320	\$ 1,914,617	\$ 2,335,919	\$ 2,379,640	\$ 2,494,154	\$ 2,593,446	\$ 2,660,246
REGULATORY OPERATING INCOME	\$ 546,439	\$ 529,874	\$ 731,749	\$ 545,063	\$ 742,026	\$ 843,614	\$ 814,377	\$ 1,214,204	\$ 1,102,895	\$ 1,382,861
AVERAGE NET RATE BASE	\$ 11,365,213	\$ 11,924,504	\$ 12,620,746	\$ 11,823,635	\$ 13,255,850	\$ 14,048,931	\$ 17,422,791	\$ 19,469,872	\$ 21,065,762	\$ 22,320,269
RATE OF RETURN (Allowed - 6.2% 1/1/24)	4.81%	4.44%	5.80%	4.61%	5.60%	6.00%	4.67%	6.24%	5.24%	6.20%
OPERATING CASH FLOWS	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
Sales of Water	\$ 2,337,615	\$ 2,462,840	\$ 2,526,465	\$ 2,718,368	\$ 2,538,451	\$ 3,111,341	\$ 3,100,075	\$ 3,613,644	\$ 3,600,830	\$ 3,946,776
Routine Operating Expenditures	(1,039,886)	(1,238,596)	(1,266,252)	(1,381,460)	(1,062,930)	(1,431,097)	(1,379,615)	(1,369,102)	(1,431,196)	(1,463,984)
Transfers and Taxes	(412,040)	(376,315)	(368,530)	(449,523)	(412,934)	(442,429)	(454,265)	(535,190)	(545,415)	(561,310)
Miscellaneous Income	47,237	63,775	68,192	47,015	68,192	68,192	68,192	68,192	68,192	68,192
GASB 68 & GASB 75 Add Back	-	-	-	-	50,000	25,000	25,750	26,522	27,319	28,139
Total Operating Cash Flows	\$ 932,926	\$ 911,704	\$ 959,875	\$ 934,400	\$ 1,180,779	\$ 1,331,007	\$ 1,360,137	\$ 1,804,066	\$ 1,719,730	\$ 2,017,813
CAPITAL AND FINANCING CASH FLOWS										
Acquisition of capital Assets	\$ (1,564,320)	\$ (576,698)	\$ (153,505)	\$ (1,870,400)	\$ (1,860,671)	\$ (1,255,453)	\$ (6,502,520)	\$ (1,268,540)	\$ (1,698,440)	\$ (1,480,140)
Principal Paid	(486,751)	(480,572)	(573,616)	(401,025)	(347,025)	(381,438)	(395,208)	(360,510)	(373,390)	(403,887)
Interest Paid	(79,305)	(80,551)	(94,689)	(96,022)	(104,675)	(117,564)	(214,578)	(311,237)	(309,038)	(306,786)
Debt Proceeds	-	1,365,765	-	1,105,000	894,453	-	5,407,000	-	600,000	-
Special Assessments	29,026	29,026	116,103	-	-	-	-	-	-	-
Total Capital and Financing Cash Flows	\$ (2,101,350)	\$ 256,970	\$ (705,707)	\$ (1,262,447)	\$ (1,417,918)	\$ (1,754,455)	\$ (1,705,306)	\$ (1,940,287)	\$ (1,780,868)	\$ (2,190,813)
INVESTING ACTIVITIES CASH FLOWS										
Investment Income	\$ 226,955	\$ 13,918	\$ 79,426	\$ 87,664	\$ 49,186	\$ 58,804	\$ 84,206	\$ 81,266	\$ 68,075	\$ 77,217
Net Change in Cash	\$ (941,469)	\$ 1,182,592	\$ 333,594	\$ (240,383)	\$ (187,953)	\$ (364,643)	\$ (260,963)	\$ (54,954)	\$ 6,936	\$ (95,782)
PRELIMINARY ENDING CASH BALANCE	\$ 1,168,814	\$ 2,351,406	\$ 3,085,076	\$ 2,923,251	\$ 2,897,123	\$ 2,532,480	\$ 2,271,517	\$ 2,216,563	\$ 2,223,499	\$ 2,127,717
ENDING CASH BALANCE	\$ 1,168,814	\$ 2,751,482	\$ 3,085,076	\$ 2,923,251	\$ 2,897,123	\$ 2,532,480	\$ 2,271,517	\$ 2,216,563	\$ 2,223,499	\$ 2,127,717
RESTRICTED CASH BALANCE	\$ 731,455	\$ 765,914	\$ 614,051	\$ 917,544	\$ 731,451	\$ 774,414	\$ 784,975	\$ 794,333	\$ 815,447	\$ 796,558
UNRESTRICTED CASH BALANCE	\$ 506,781	\$ 1,985,568	\$ 2,471,025	\$ 2,005,707	\$ 2,165,672	\$ 1,758,066	\$ 1,486,542	\$ 1,422,230	\$ 1,408,052	\$ 1,331,159
UNRESTRICTED MONTHS ON HAND	2.60	9.43	11.43	8.85	9.97	6.64	5.63	4.64	4.61	3.98
RATE INCREASE NEEDED	0.00%	9.00%	0.00%	0.00%	0.00%	23.00%	0.00%	17.00%	0.00%	10.00%
DEBT ISSUE NEEDED	\$ -	\$ 1,659,000	\$ -	\$ 1,105,000	\$ 894,453	\$ -	\$ 5,407,000	\$ -	\$ 600,000	\$ -
DEBT COVERAGE	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
Operating Revenues	\$ 2,384,825	\$ 2,526,615	\$ 2,594,657	\$ 2,765,383	\$ 2,606,643	\$ 3,179,533	\$ 3,168,267	\$ 3,681,836	\$ 3,669,022	\$ 4,014,968
Investment Income	\$ 6,261	-	-	\$ 87,664	-	-	-	-	-	-
O & M Expenses	(1,056,916)	(1,210,156)	(1,151,139)	(1,411,692)	(1,091,392)	(1,459,895)	(1,409,030)	(1,400,007)	(1,462,716)	(1,496,129)
Net Defined Earnings	\$ 1,334,170	\$ 1,316,459	\$ 1,443,518	\$ 1,441,355	\$ 1,515,251	\$ 1,719,638	\$ 1,759,237	\$ 2,281,830	\$ 2,206,305	\$ 2,518,838
Annual Debt Service	\$ 509,864	\$ 611,497	\$ 430,583	\$ 587,085	\$ 451,700	\$ 499,002	\$ 609,786	\$ 671,747	\$ 682,428	\$ 710,673
Coverage Factor	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Minimum Required Earnings	\$ 662,823	\$ 794,946	\$ 559,758	\$ 763,211	\$ 587,210	\$ 648,703	\$ 792,722	\$ 873,271	\$ 887,157	\$ 923,874
ACTUAL DEBT COVERAGE	2.62	2.15	3.35	2.46	3.35	3.45	2.89	3.40	3.23	3.54

2025 WASTEWATER BUDGET

	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
OPERATING REVENUES	ACTUAL	ACTUAL	ACTUAL	BUDGETED	ESTIMATED					
Treatment Charges	\$ 2,154,019	\$ 2,094,028	\$ 2,223,659	\$ 2,373,446	\$ 2,238,193	\$ 2,436,135	\$ 2,945,342	\$ 3,559,290	\$ 3,872,793	\$ 3,901,605
Other	39,871	39,592	37,291	36,803	37,175	36,803	36,435	36,071	35,710	35,353
Total Operating Revenues	<u>\$ 2,193,890</u>	<u>\$ 2,133,620</u>	<u>\$ 2,260,950</u>	<u>\$ 2,410,249</u>	<u>\$ 2,275,368</u>	<u>\$ 2,472,938</u>	<u>\$ 2,981,777</u>	<u>\$ 3,595,361</u>	<u>\$ 3,908,503</u>	<u>\$ 3,936,958</u>
OPERATING EXPENSES										
Operation and Maintenance	\$ 1,005,162	\$ 1,206,919	\$ 1,281,619	\$ 1,383,149	\$ 1,433,144	\$ 1,450,354	\$ 1,455,022	\$ 1,534,315	\$ 1,611,980	\$ 1,595,310
Taxes	31,300	31,305	36,982	34,202	34,202	35,228	36,285	37,373	38,494	39,649
Depreciation	774,018	772,166	787,957	959,834	902,351	879,956	976,533	1,055,350	1,052,229	1,048,700
Total Operating Expenses	<u>\$ 1,810,480</u>	<u>\$ 2,010,390</u>	<u>\$ 2,106,558</u>	<u>\$ 2,377,185</u>	<u>\$ 2,369,697</u>	<u>\$ 2,365,538</u>	<u>\$ 2,467,840</u>	<u>\$ 2,627,038</u>	<u>\$ 2,702,703</u>	<u>\$ 2,683,659</u>
OPERATING INCOME	<u>\$ 383,410</u>	<u>\$ 123,230</u>	<u>\$ 154,392</u>	<u>\$ 33,064</u>	<u>\$ (94,329)</u>	<u>\$ 107,401</u>	<u>\$ 513,937</u>	<u>\$ 968,323</u>	<u>\$ 1,205,800</u>	<u>\$ 1,253,299</u>
OPERATING CASH FLOWS	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
Treatment Charges	\$ 2,154,019	\$ 2,094,028	\$ 2,223,659	\$ 2,373,446	\$ 2,238,193	\$ 2,436,135	\$ 2,945,342	\$ 3,559,290	\$ 3,872,793	\$ 3,901,605
Routine Operating Expenditures	(1,005,162)	(1,206,919)	(1,281,619)	(1,383,149)	(1,433,144)	(1,450,354)	(1,455,022)	(1,534,315)	(1,611,980)	(1,595,310)
Taxes	(31,300)	(31,305)	(36,982)	(34,202)	(34,202)	(35,228)	(36,285)	(37,373)	(38,494)	(39,649)
Miscellaneous Income	39,871	39,592	37,291	36,803	37,175	36,803	36,435	36,071	35,710	35,353
Total Operating Cash Flows	<u>\$ 1,157,428</u>	<u>\$ 895,396</u>	<u>\$ 942,349</u>	<u>\$ 992,898</u>	<u>\$ 808,022</u>	<u>\$ 987,356</u>	<u>\$ 1,490,470</u>	<u>\$ 2,023,673</u>	<u>\$ 2,258,029</u>	<u>\$ 2,301,999</u>
CAPITAL AND FINANCING CASH FLOWS										
Acquisition of Capital Assets	\$ (249,498)	\$ (606,896)	\$ (219,810)	\$ (1,791,128)	\$ (1,724,403)	\$ (972,650)	\$ (7,766,775)	\$ (1,586,645)	\$ (1,103,000)	\$ (1,948,675)
Principal Paid	(374,970)	(385,930)	(395,126)	(340,869)	(257,975)	(307,277)	(315,568)	(446,668)	(379,823)	(392,058)
Interest Paid	(89,652)	(83,305)	(69,838)	(85,357)	(80,946)	(94,607)	(223,702)	(360,616)	(358,171)	(359,231)
Debt Proceeds	-	-	-	1,156,000	1,206,840	700,000	6,875,000	700,000	-	900,000
GASB 68 & GASB 75 - No Cash Spent	-	-	-	50,000	50,000	25,000	25,760	26,540	27,340	28,160
Special Assessments	19,905	19,905	-	-	-	-	-	-	-	-
	<u>\$ (694,215)</u>	<u>\$ (1,056,226)</u>	<u>\$ (684,774)</u>	<u>\$ (1,011,354)</u>	<u>\$ (806,484)</u>	<u>\$ (1,349,534)</u>	<u>\$ (1,405,285)</u>	<u>\$ (1,667,389)</u>	<u>\$ (1,813,654)</u>	<u>\$ (1,771,804)</u>
INVESTING ACTIVITIES CASH FLOWS										
Investment Income	\$ 30,487	\$ 381,789	\$ 74,075	\$ 71,688	\$ 69,631	\$ 60,000	\$ 92,095	\$ 90,221	\$ 66,595	\$ 75,969
Net Change in Cash	<u>\$ 493,700</u>	<u>\$ 220,959</u>	<u>\$ 331,650</u>	<u>\$ 53,232</u>	<u>\$ 71,170</u>	<u>\$ (302,177)</u>	<u>\$ 177,280</u>	<u>\$ 446,506</u>	<u>\$ 510,970</u>	<u>\$ 606,163</u>
PRELIMINARY ENDING CASH BALANCE	\$ 2,158,876	\$ 2,428,891	\$ 3,002,610	\$ 2,709,408	\$ 3,220,917	\$ 2,918,739	\$ 3,096,020	\$ 3,542,525	\$ 4,053,495	\$ 4,659,658
ENDING ACCOUNTS RECEIVABLE/PAYABLE	\$ 49,056	\$ 43,783	\$ (247,989)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LESS NONCASH EQUIVALENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RECOMMENDED REDUCTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ENDING CASH BALANCE (Less Investments)	<u>\$ 2,207,932</u>	<u>\$ 2,670,960</u>	<u>\$ 3,149,747</u>	<u>\$ 2,709,408</u>	<u>\$ 3,220,917</u>	<u>\$ 2,918,739</u>	<u>\$ 3,096,020</u>	<u>\$ 3,542,525</u>	<u>\$ 4,053,495</u>	<u>\$ 4,659,658</u>
RESTRICTED CASH BALANCE	<u>\$ 893,325</u>	<u>\$ 1,504,454</u>	<u>\$ 1,381,939</u>	<u>\$ 1,536,415</u>	<u>\$ 1,887,235</u>	<u>\$ 2,050,675</u>	<u>\$ 2,428,442</u>	<u>\$ 2,305,197</u>	<u>\$ 2,303,453</u>	<u>\$ 2,476,194</u>
UNRESTRICTED CASH BALANCE	<u>\$ 1,314,607</u>	<u>\$ 1,166,506</u>	<u>\$ 1,767,808</u>	<u>\$ 1,172,993</u>	<u>\$ 1,333,682</u>	<u>\$ 868,064</u>	<u>\$ 667,578</u>	<u>\$ 1,237,329</u>	<u>\$ 1,750,042</u>	<u>\$ 2,183,464</u>
UNRESTRICTED MONTHS ON HAND	<u>7.19</u>	<u>6.56</u>	<u>9.38</u>	<u>5.93</u>	<u>7.03</u>	<u>4.21</u>	<u>2.69</u>	<u>4.13</u>	<u>5.37</u>	<u>6.66</u>
RATE INCREASE NEEDED	<u>0.00%</u>	<u>6.00%</u>	<u>0.00%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>8.00%</u>	<u>20.00%</u>	<u>20.00%</u>	<u>8.00%</u>	<u>0.00%</u>
DEBT ISSUE NEEDED	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,156,000</u>	<u>\$ 1,206,840</u>	<u>\$ -</u>	<u>\$ 6,875,000</u>	<u>\$ 700,000</u>	<u>\$ -</u>	<u>\$ 900,000</u>
DEBT COVERAGE	2021	2022	2023	2024	2024	2025	2026	2027	2028	2029
Operating Revenues	\$ 2,193,890	\$ 2,133,620	\$ 2,260,950	\$ 2,410,249	\$ 2,275,368	\$ 2,472,938	\$ 2,981,777	\$ 3,595,361	\$ 3,908,503	\$ 3,936,958
Investment Income	(875)	22,756	76,083	71,688	69,631	60,000	92,095	90,221	66,595	75,969
O & M Expenses	(1,036,462)	(1,238,224)	(1,318,601)	(1,417,351)	(1,467,345)	(1,485,582)	(1,491,307)	(1,571,688)	(1,650,474)	(1,634,959)
Net Defined Earnings	<u>\$ 1,156,553</u>	<u>\$ 918,152</u>	<u>\$ 1,018,432</u>	<u>\$ 1,064,586</u>	<u>\$ 877,654</u>	<u>\$ 1,047,356</u>	<u>\$ 1,582,565</u>	<u>\$ 2,113,895</u>	<u>\$ 2,324,624</u>	<u>\$ 2,377,967</u>
Highest Annual Debt Service Coverage Factor	\$ 427,223	\$ 426,984	\$ 317,801	\$ 426,226	\$ 401,884	\$ 539,270	\$ 807,284	\$ 737,994	\$ 751,289	\$ 887,570
Minimum Required Earnings	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Minimum Required Earnings	<u>\$ 469,945</u>	<u>\$ 469,682</u>	<u>\$ 349,581</u>	<u>\$ 468,849</u>	<u>\$ 442,072</u>	<u>\$ 593,197</u>	<u>\$ 888,012</u>	<u>\$ 811,793</u>	<u>\$ 826,418</u>	<u>\$ 976,327</u>
ACTUAL DEBT COVERAGE	<u>2.71</u>	<u>2.15</u>	<u>3.20</u>	<u>2.50</u>	<u>2.18</u>	<u>1.94</u>	<u>1.96</u>	<u>2.86</u>	<u>3.09</u>	<u>2.68</u>



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

Serving Electric, Water & Wastewater Since 1886

Date: October 15, 2024

To: Stoughton Utilities Committee

From: Shannon M. Statz
Finance Manager

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

Subject: Filing for Regulatory Review of Water Utility Rates

Presented in our 2024 water budget was the application of Safe Drinking Water Loans for several watermain replacement projects to be completed this year. As part of the loan process, the utility needs to complete a water rate case with the Public Service Commission of Wisconsin (PSC) before the close of the loans. The recommendation is that we apply for this increase prior to September 30, 2024 to ensure we close before the 2025 deadline.

Our budget projections in 2024 estimated a 9% increase would be necessary in 2025. We had planned to implement an inflationary 8% simplified rate increase in 2024. Our 2023 rate of return was too high to apply for a simplified increase, and as a result we were not able to collect the total revenue originally budgeted for 2024. As a result, our 2025 rate increase will be larger than estimated.

After budget estimates have been completed, we are looking at a 23% increase in 2025. This assumes that we will be granted a rate of return of just over 6.2%. The amount of the final increase and the approved rate of return will be determined by the PSC following their review of our application.

This current average residential customer's total monthly water bill, including public fire protection, is \$32.41 per month for 4,000 gallons of consumption.

It is requested that the committee review the projected rate increase and direct staff to file an application with the Public Service Commission of Wisconsin for a regulatory rate review and adjustment.



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

Serving Electric, Water & Wastewater Since 1886

Date: October 15, 2024

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.