



*****AMENDED*** BOARD OF WATERWORKS COMMISSIONERS AGENDA**

April 29, 2024 at 3:30 PM

Water Utility Admin Office, 72 Park Avenue, Sheboygan WI

Persons with disabilities who need accommodations to attend this meeting should contact the Sheboygan Water Utility, (920) 459-3805. Persons other than commission, committee, and board members who wish to participate remotely shall provide notice to the Utility at 920-459-3805 at least 24 hours before the meeting so that the person may be provided a remote link for that purpose.

OPENING OF MEETING

1. Pledge of Allegiance

MINUTES

- [2.](#) Approve minutes from the March 11, 2024 meeting

REPORTS

- [3.](#) Financial reports and approval of vouchers
- [4.](#) Superintendent's report including operations, construction-maintenance, and customer relations/fiscal

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

- [5.](#) Review 2023 financial audit reports and approve R.O. transmitting report to Council
- [6.](#) Review 2023 PSC annual report and R.O. transmitting report to Council
- [7.](#) Approve R.O. transmitting 2024 1st quarter report to Council
- [8.](#) Approval of financial advisor services for upcoming LSL loans
- [9.](#) Approval of services to create employee portal on website
- [10.](#) Approval of agreement for ongoing IT consulting services
- [11.](#) Approval of water meter purchase
- [12.](#) Approval of proposed 2024 water main projects
13. Approval of proposal to clean Erie Ave reservoirs

PERSONNEL

14. Updates

NEXT MEETING

15. Next meeting will take place on: May 20, 2024

ADJOURN

16. Motion to Adjourn

In compliance with Wisconsin's Open Meetings Law, this agenda was posted in the following locations more than 24 hours prior to the time of the meeting:

*City Hall • Mead Public Library
Sheboygan County Administration Building • City's website*

CITY OF SHEBOYGAN**BOARD OF WATERWORKS COMMISSIONERS MINUTES****Monday, March 11, 2024**

OPENING OF MEETING

President Van De Kreeke convened the meeting at 3:31 PM. Present were Secretary Howe, Member Dale. Superintendent Trueblood was in attendance.

1. Pledge of Allegiance

All present honored the flag of the United States of America.

MINUTES

2. Approve minutes from February 19, 2024 meeting

Commissioner Dale made a motion, seconded by Commissioner Howe, to approve the minutes of the February 19, 2024 meeting. Motion passed unanimously.

REPORTS

3. Financial reports and approval of vouchers

Commissioner Van De Kreeke made a motion, seconded by Commissioner Dale, to approve the financial reports as presented along with general vouchers of \$5,829,737.81 and gross payroll of \$216,772.18. Motion passed unanimously.

4. Superintendent's report including operations, construction-maintenance, and customer relations/fiscal

Commissioner Howe made a motion, seconded by Commissioner Dale, approving the Superintendent's report as presented. Motion passed unanimously. Superintendent reported that the RWI system is now providing lake water to the water treatment plant in the first phase of new pump testing. So far, everything looks great with the new intake supply and water quality is much better than with the old intake pipelines.

ITEMS FOR DISCUSSION AND POSSIBLE ACTION

5. Approval of bids for Dillingham LSL replacements

Superintendent LSL reviewed the bid tabulation for LSL replacements on Dillingham Avenue with Essential Sewer & Water at \$370,175.00; Alfson Excavating at \$381,320.00; M&E Construction at \$391,550.00; Joski Sewer at \$400,200.00; Korff Plumbing at \$409,350.00; and Van Rite Plumbing at \$418,510.00. Commissioner Dale made a motion, seconded by Commissioner Howe, to approve the low bid of Essential Sewer & Water at \$370,175.00. Motion passed unanimously.

6. Purchase of additional safety shoring equipment for trenchwork

Superintendent reviewed information on additional trench shoring equipment for use in small spaces where a trench box or shoe cannot be placed. The distribution team had reviewed both hydraulic and

air-pressure shoring bars and determined the air-pressure, pneumatic devices were more suitable. Commissioner Van De Kreeke made a motion, seconded by Commissioner Dale, to approve the purchase of 4 pneumatic shoring bars along with extensions, lowering straps, and hose assemblies from Prospan at a total cost of \$7,964.00. Motion passed unanimously.

7. Approval of bids for Lincoln Ave water main project

This agenda item was included in error.

8. Approval of R.O. transmitting WI PSC annual report to Council

This agenda item was deferred to a later time but Superintendent noted that Senior Accountant Gottsacker has been working on the required annual PSC report.

9. Update on water rate hearing

Superintendent noted that the PSC public hearing on water rates took place. There were no members of the public in attendance. The Utility anticipates receiving authorizing for new water rates on April 1, 2024.

10. Purchase of water meters

Superintendent reviewed a proposal from Badger Meter for 360 M25 meters and some other E-series equipment at a total cost of \$45,663.72. Commissioner Van De Kreeke made a motion, seconded by Commissioner Dale, to approve the purchase as presented. Motion passed unanimously.

11. Purchase of construction inventory materials

Superintendent reviewed a list of materials for the Lincoln Avenue water main and other inventory items including 440 LF of 8" PVC pipe, hydrants, valves, and miscellaneous at a bid price of \$91,882.48 from Ferguson Waterworks and \$104,767.50 from Core and Main. Commissioner Van De Kreeke made a motion, seconded by Commissioner Dale, to approve the purchase from Ferguson Waterworks at \$91,882.48. Motion passed unanimously.

PERSONNEL

NEXT MEETING

12. Next meeting will take place on: April 15, 2024

ADJOURN

13. Motion to Adjourn

At 4:25 PM, Commissioner Van De Kreeke made a motion to adjourn, seconded by Commissioner Dale. Motion carried unanimously.



REPORT OF BILLING

JANUARY 2024

	<u>2024</u>	<u>2023</u>	<u>Increase or (Decrease)</u>
<u>Quarterly Metered*</u>			
<i>(Dist II - between Union and Superior Ave.)</i>			
Residential	194,336.85	193,901.70	435.15
Multi-Family	27,411.15	27,027.78	383.37
Commercial	64,519.29	65,291.83	(772.54)
Industrial	5,483.92	5,841.14	(357.22)
Public	<u>14,242.10</u>	<u>10,285.38</u>	<u>3,956.72</u>
Subtotal	305,993.31	302,347.83	3,645.48

* Billing for scheduled district only for the three preceding months usage.

Public Fire Protection	70,205.53	70,031.32	174.21
Monthly Metered	<u>293,143.50</u>	<u>318,385.22</u>	<u>(25,241.72)</u>
Sheboygan Net	669,342.34	690,764.37	(21,422.03)
Sheboygan Falls	45080.53	47101.84	(2,021.31)
Kohler	<u>24907.04</u>	<u>25713.53</u>	<u>(806.49)</u>
Total	739,329.91	763,579.74	(24,249.83)

Total accumulative billing for 2024 is \$739,329.91. A decrease of \$24,249.83 from 2023 accounted for as follows:

	<u>2024-Total Year to Date</u>
Sheboygan	(21,422.03)
Sheboygan Falls	(2,021.31)
Kohler	<u>(806.49)</u>
	<u>(24,249.83)</u>

Total bills mailed January, 2024: 6,338

Residential	5,255	Wholesale	5
Multi-Family	112	Multi-Family	9
Commercial	778	Commercial	22
Industrial	34	Industrial	65
Public	54	Public	4
Quarterly	6,233	Monthly	105



RETURN ON RATE BASE

January 31, 2024

	<u>JANUARY 2024</u>	<u>JANUARY 2023</u>
<u>Add 2 YR Average</u>		
Utility Plant Balance	\$ 94,162,683	\$ 75,036,878
Materials and Supplies Inventory	\$ 245,102	\$ 243,664
<u>Less 2 YR Average</u>		
Reserve for Depreciation	\$ 26,727,859	\$ 25,184,327
Customer Adv for Const	\$ -	\$ -
Average Rate Base	<u>\$ 67,679,927</u>	<u>\$ 50,096,215</u>
Net Operating Income YTD	\$ (67,783)	\$ (100,787)
Net Operating Income As a Percent of Average Net Rate Base	<u><u>-0.10%</u></u>	<u><u>-0.20%</u></u>

Rate base is calculated using the two year average balance in the following accounts:

Utility Plant Balance - includes all capital assets less any contributed capital assets.

Materials and Supplies Inventory - includes all materials and supplies on hand and in inventory.

Reserve for Depreciation - includes depreciation on capital assets less any contributed capital assets.



CASH RESERVE
January 31, 2024

Ending balance on report for December 31, 2023	9,195,913.78
Plus: Receipts	442,556.28
Misc Receipts	37,543.43
Direct Pay Receipts	424,688.81
LSL Repayment	62,224.65
Money Market/CDARs Investment Interest	12,310.44
Minus:	
Disbursements - vendors and payroll	(1,233,415.40)
Bank Service Fees & Credits	206.30
Health & Dental Claims/Adm Costs	(73,607.16)
NSF Checks & Customer Refunds	(912.02)
Invoice Cloud/Paymentech Deposit Fees	(8,165.14)
Reallocate Sewer/Garbage - payments	1,471.94
Reallocate Sewer/Garbage - monthly	(288.57)
SDWL RWI Reimbursement	-
WRS Preliminary Reconciliation	(473.18)
Automated Credit Card Payments	(3,865.38)
Utility Water Payments	(6,419.61)
Ending Balance January 31, 2024	\$ 8,849,769.17

Note: The above amount includes:

Bond Reserve Fund	612,359.69
LSL Revolving Loan Fund *	407,106.01
Money Market Investment	1,021,223.65
ARPA Money Market Restricted - RWI	289,129.53
6 Month CD	512,779.92
3 Month CD	1,547,560.13
9 Month CD	1,030,375.00
Total	\$ 5,420,533.93

General Unrestricted Operating Cash	3,429,235.24
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*LSL revolving loan fund is cash available for funding LSL replacement and comes from customer repayment of LSL loans.



STATEMENT OF NET POSITION
JANUARY 31, 2024 AND 2023

<u>Assets and Other Debits Utility Plant</u>	<u>Year to Date 2024</u>	<u>Year to Date 2023</u>	<u>Liabilities and Other Credits</u>	<u>Year to Date 2024</u>	<u>Year to Date 2023</u>
Utility Plant	116,738,902	87,460,581	<u>Proprietary Capital</u>		
Depreciation- Utility Plant	29,702,456	27,980,219	Capital Paid by Municipal	1,640,701	1,640,701
Net Utility Plant	<u>\$ 87,036,446</u>	<u>\$ 59,480,361</u>	Unapprop. Earned Surplus	61,597,951	53,835,279
			Total Proprietary Capital	<u>\$ 63,238,652</u>	<u>\$ 55,475,980</u>
<u>Other Property and Investments</u>			Bonds, Loans & Advances	33,521,080	12,484,570
Appropriated Funds	696,236	5,225,085	Total Long Term Debt	<u>\$ 33,521,080</u>	<u>\$ 12,484,570</u>
Bond Redemption Fund	612,360	644,320			
Net Pension Asset ¹	-	992,887	<u>Current & Accrued Liabilities</u>		
Deferred Outflow - Pension & OPEB ¹	2,648,031	2,025,204	Accounts Payable	793	25,698
Total Other Prop & Investment	<u>\$ 3,956,626</u>	<u>\$ 8,887,496</u>	Accrued Liabilities	789,070	907,508
			Unearned Revenue ⁴	270,987	5,028,941
<u>Current and Accrued Assets</u>			Total Current & Accrued Liab.	<u>\$ 1,060,851</u>	<u>\$ 5,962,148</u>
Cash & Investments	7,541,924	7,171,444			
Accounts Receivable	1,558,135	1,317,906	<u>Deferred Credits</u>		
LSL Loan Receivable ²	679,321	195,693	Bond Premium	130,631	163,503
Grant Receivable - Restricted ³	0	8,300	Pre 2003 Depr on Contributed Assets	-	22,993
Materials & Supplies Inventory	232,537	257,666	Other Deferred Credits	0	0
Prepaid Expenses	30,005	30,774		<u>\$ 130,631</u>	<u>\$ 186,497</u>
Total Current & Accrued Assets	<u>\$ 10,041,922</u>	<u>\$ 8,981,784</u>	<u>Operating Reserves</u>		
			Net Pension & OPEB Liability ¹	835,240	190,275
Total Assets and Debits	<u>\$ 101,034,994</u>	<u>\$ 77,349,641</u>	Deferred Inflow - Pension & OPEB ¹	1,533,534	2,402,200
			Accrued Vac & Sick Leave	715,006	647,972
			Total Operating Reserve	<u>\$ 3,083,780</u>	<u>\$ 3,240,447</u>
			Total Liab & Other Credits	<u>\$ 101,034,994</u>	<u>\$ 77,349,641</u>

¹ See full audited Financial Statements for disclosures and details regarding pensions and OPEB.

² Receivable related to the SWU LSL loan program.

³ Grants Receivable - Restricted pertains to the Lead Water Service Lateral Replacement Program funded by the DNR.

⁴ Unearned Revenue is the remaining balance of unspent American Rescue Plan Act funding designated to the Raw Water Improvement project.



STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

JANUARY 31, 2024 AND 2023

	2024		2023		Incr (Decr) YTD	% Incr/Decr YTD
	MONTH	YTD	MONTH	YTD		
Sales Revenue ¹	\$ 376,119	\$ 376,119	\$ 400,101	\$ 400,101	\$ (23,982)	-5.99%
Other Water Revenue ¹	\$ 532	\$ 532	\$ 6,521	\$ 6,521	\$ (5,990)	-91.85%
Total Operating Revenues	\$ 376,651	\$ 376,651	\$ 406,622	\$ 406,622	\$ (29,972)	-7.37%
Operating Expenses ²	203,305	203,305	242,518	242,518	(39,212)	-16.17%
Maintenance Expenses ³	57,901	57,901	66,768	66,768	(8,867)	-13.28%
Depreciation Expenses	142,070	142,070	148,751	148,751	(6,682)	-4.49%
Taxes ⁴	41,157	41,157	49,372	49,372	(8,215)	-16.64%
Total Operating Expenses	\$ 444,434	\$ 444,434	\$ 507,410	\$ 507,410	\$ (62,976)	-12.41%
Utility Operating Income	\$ (67,783)	\$ (67,783)	\$ (100,787)	\$ (100,787)	\$ 33,004	-32.75%
Other Income & Expense						
Non-operating Grant Revenue	-	-	8,300	8,300	(8,300)	
Non-Operating Grant Expenses	-	-	(8,300)	(8,300)	8,300	
Bond Premium	2,739	2,739	2,739	2,739	-	
Interest Earned on Investments	14,703	14,703	5,752	5,752	8,950	
Contributions	-	-	-	-	-	
Other Expense	-	-	-	-	-	
Misc Amortization	-	-	2,094	2,094	(2,094)	
Bond Interest Expense	(41,309)	(41,309)	(90,088)	(90,088)	48,779	
Change in Net Position	\$ (91,650)	\$ (91,650)	\$ (180,289)	\$ (180,289)	\$ 88,639	

¹ The decrease in Operating Revenues is due to a decrease in water usage from the prior year and a decrease in miscellaneous billing.

² The decrease in Operating Expense is due to the timing for payment of invoices related to chemicals and utilities, a decrease in locating costs and health insurance claims and fees.

³ The decrease in Maintenance Expense is due to a decrease in water main breaks from this same period in 2023.

⁴ The decrease in Tax Expense is due to a decrease in the City tax rates.



APPROVAL OF VOUCHERS
January 31, 2024

<u>Total Of The General Vouchers</u>	<u>\$ 1,009,947.84</u>
<u>Gross Payroll</u>	<u>\$ 206,861.80</u>
<u>Net Payroll</u>	<u>\$ 127,998.09</u>

BOARD OF WATER COMMISSIONERS

Previously signed at the February Board of Commissioners meeting.

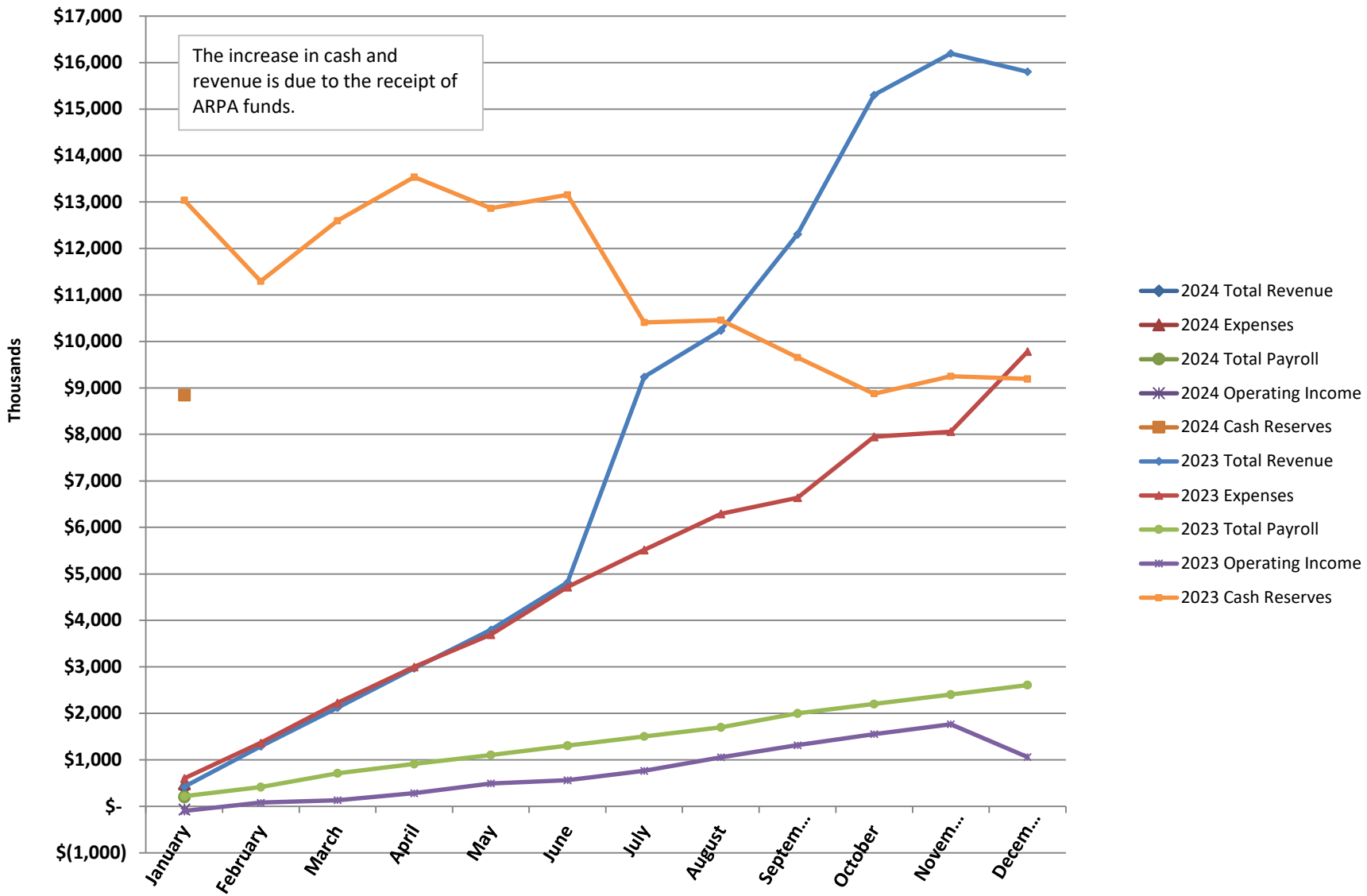
PRESIDENT

SECRETARY

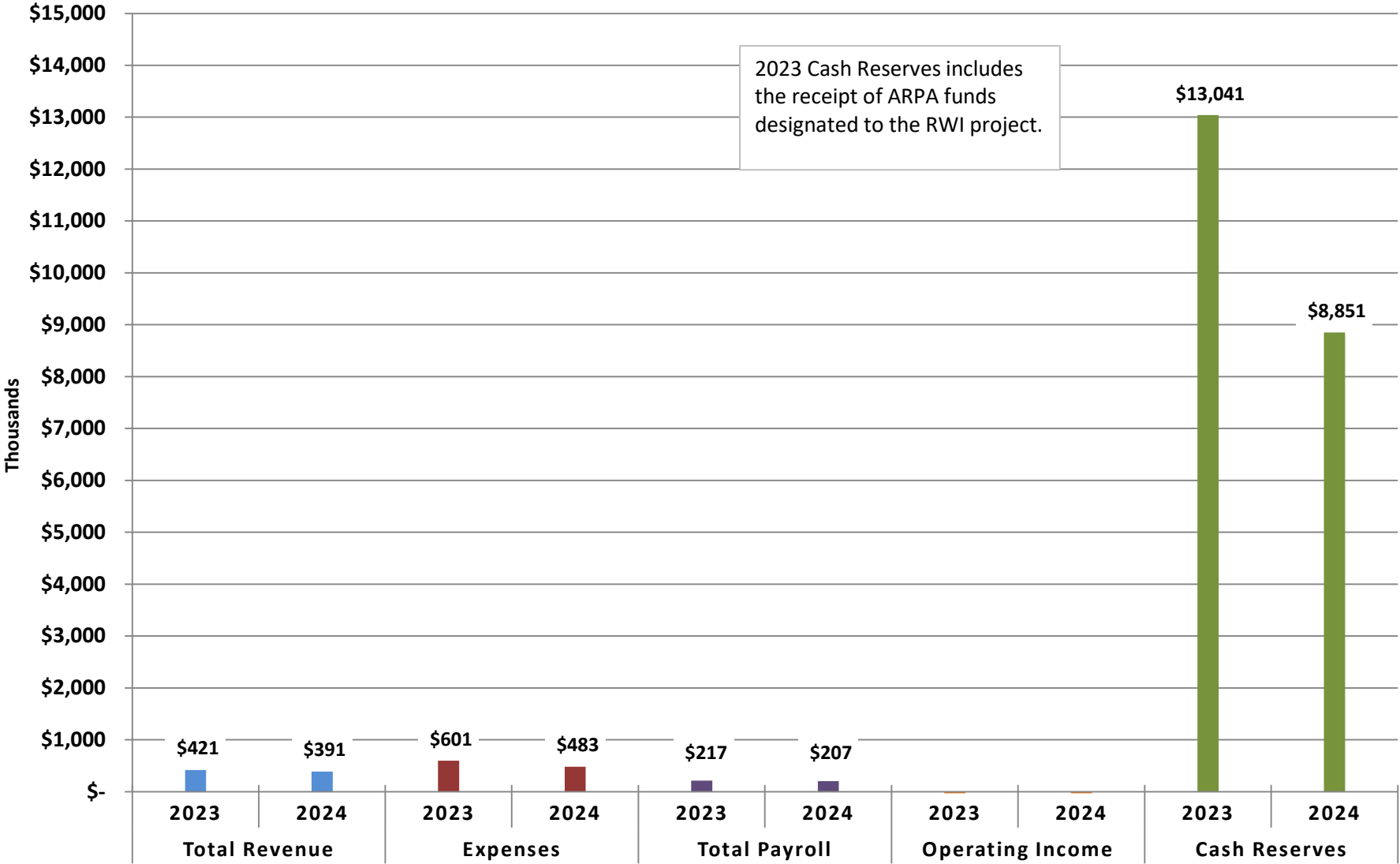
MEMBER

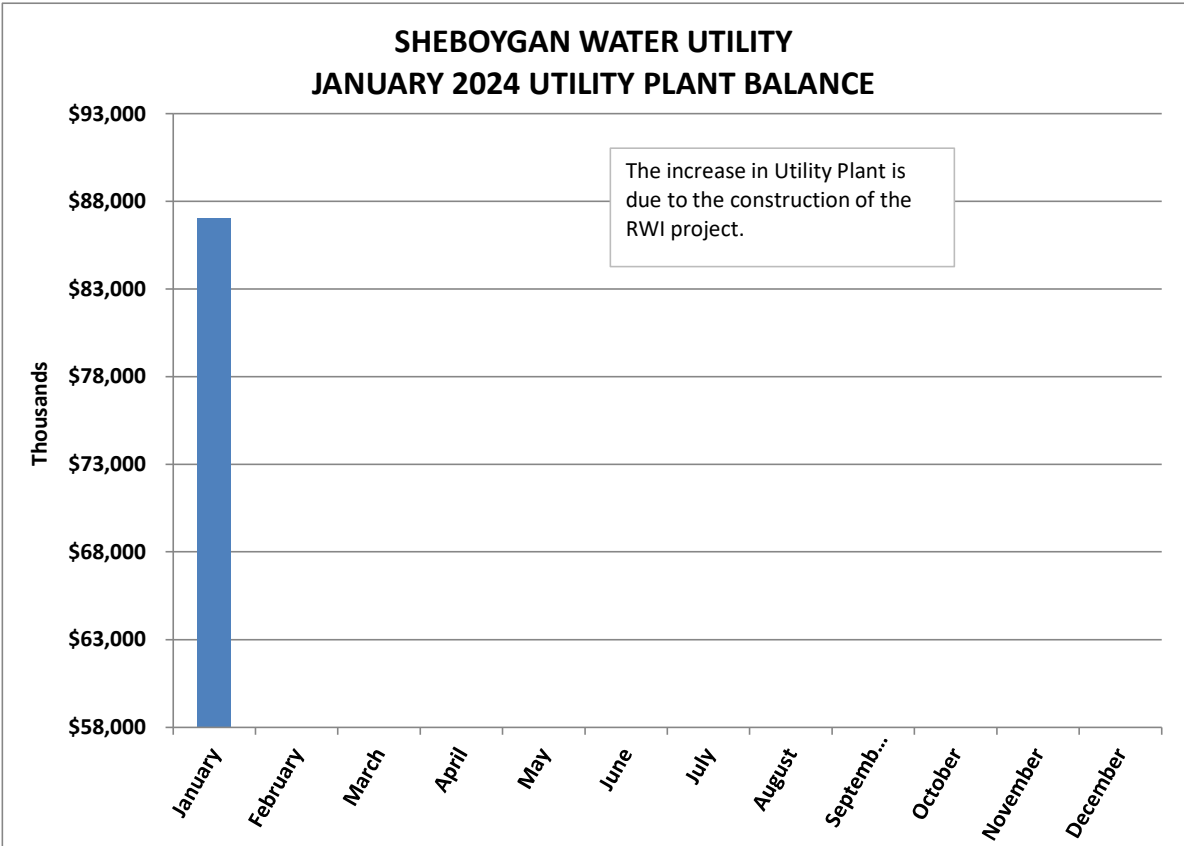
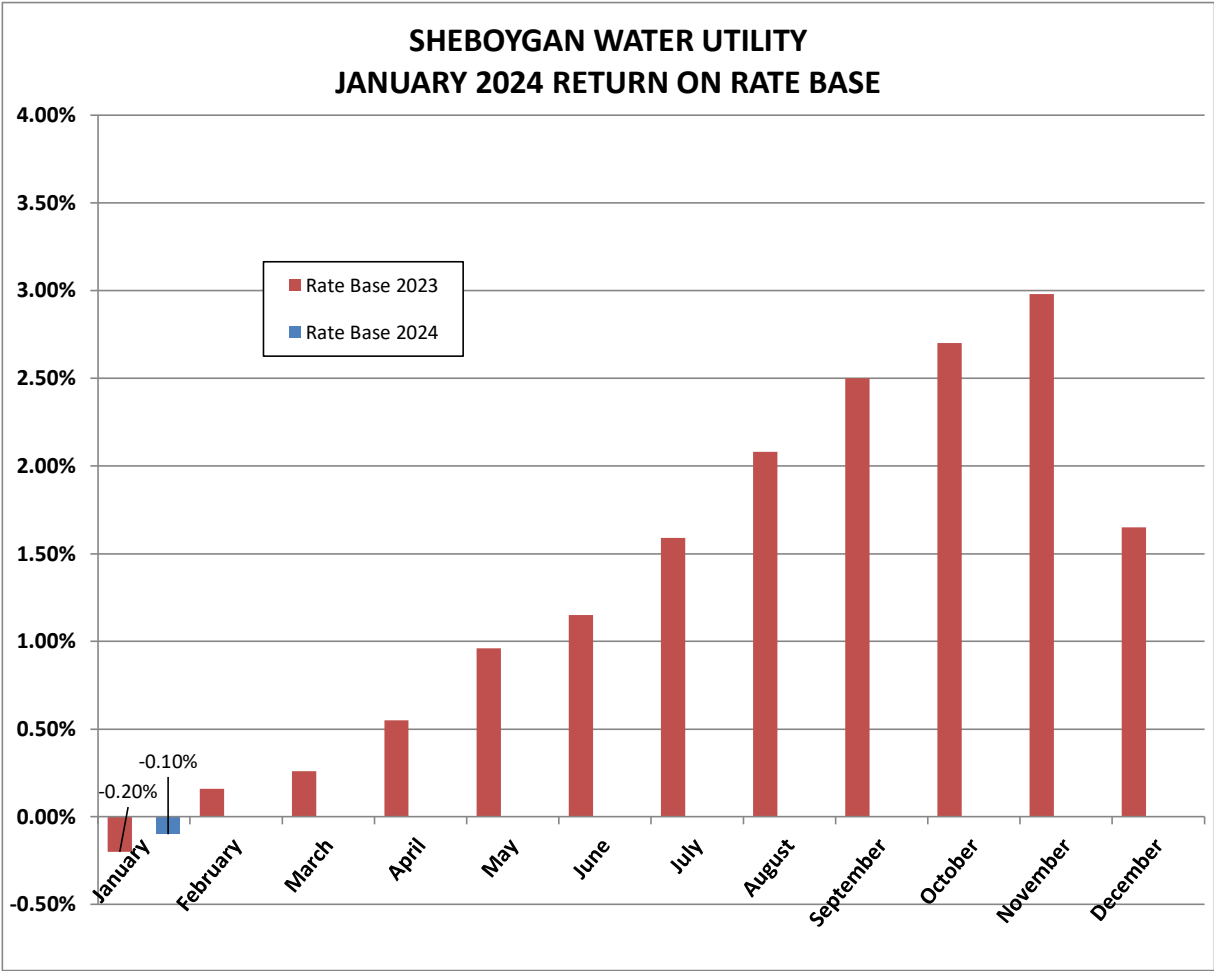
SUPERINTENDENT

SHEBOYGAN WATER UTILITY JANUARY 2024 MONTHLY FINANCIAL TREND



SHEBOYGAN WATER UTILITY JANUARY 2024 YTD FINANCIAL POSITION







REPORT OF BILLING

FEBRUARY 2024

	<u>2024</u>	<u>2023</u>	<u>Increase or (Decrease)</u>
<u>Quarterly Metered*</u>			
(Dist III - south of Union Ave)			
Residential	223,446.06	226,005.40	(2,559.34)
Multi-Family	26,754.69	28,347.10	(1,592.41)
Commercial	34,814.66	35,746.48	(931.82)
Industrial	18,079.75	18,042.71	37.04
Public	<u>8,491.35</u>	<u>9,508.19</u>	<u>(1,016.84)</u>
Subtotal	311,586.51	317,649.88	(6,063.37)

* Billing for scheduled district only for the three preceding months usage.

Public Fire Protection	70,274.66	69,641.10	633.56
Monthly Metered	<u>355,320.66</u>	<u>369,986.60</u>	<u>(14,665.94)</u>
Sheboygan Net	737,181.83	757,277.58	(20,095.75)
Sheboygan Falls	51148.90	47979.85	3,169.05
Kohler	<u>27802.37</u>	<u>27934.21</u>	<u>(131.84)</u>
Total	816,133.10	833,191.64	(17,058.54)

Total accumulative billing for 2024 is \$1,555,463.01. A decrease of \$41,308.37 from 2023 accounted for as follows:

	<u>2024-Total Year to Date</u>
Sheboygan	(41,517.78)
Sheboygan Falls	1,147.74
Kohler	<u>(938.33)</u>
	(41,308.37)

Total bills mailed February, 2024: 6,647

Residential	6,051	Wholesale	5
Multi-Family	91	Multi-Family	9
Commercial	330	Commercial	20
Industrial	45	Industrial	65
Public	<u>27</u>	Public	<u>4</u>
Quarterly	6,544	Monthly	103



RETURN ON RATE BASE
February 29, 2024

	FEBRUARY 2024	FEBRUARY 2023
<u>Add 2 YR Average</u>		
Utility Plant Balance	\$ 97,916,736	\$ 76,006,547
Materials and Supplies Inventory	\$ 244,534	\$ 244,320
<u>Less 2 YR Average</u>		
Reserve for Depreciation	\$ 26,865,544	\$ 25,327,839
Customer Adv for Const	\$ -	\$ -
Average Rate Base	<u>\$ 71,295,727</u>	<u>\$ 50,923,029</u>
Net Operating Income YTD	\$ 54,826	\$ 82,389
Net Operating Income As a Percent of Average Net Rate Base	<u>0.08%</u>	<u>0.16%</u>

Rate base is calculated using the two year average balance in the following accounts:
 Utility Plant Balance - includes all capital assets less any contributed capital assets.
 Materials and Supplies Inventory - includes all materials and supplies on hand and in inventory.
 Reserve for Depreciation - includes depreciation on capital assets less any contributed capital assets.



CASH RESERVE
February 29, 2024

Ending balance on report for January 31, 2024	8,849,769.17
Plus: Receipts	647,980.48
Misc Receipts	2,049.70
Direct Pay Receipts	407,342.68
LSL Repayment	58,447.36
Money Market/CDARs Investment Interest	13,418.14
Minus:	
Disbursements - vendors and payroll	(6,065,040.84)
Bank Service Fees & Credits	148.94
Health & Dental Claims/Adm Costs	(71,611.57)
NSF Checks & Customer Refunds	(1,495.05)
Invoice Cloud/Paymentech Deposit Fees	(9,651.75)
Reallocate Sewer/Garbage - payments	17.56
Reallocate Sewer/Garbage - monthly	(965.27)
SDWL RWI Reimbursement	5,553,810.73
WRS Preliminary Reconciliation	473.18
Postage	(428.76)
Automated Credit Card Payments	(3,767.69)
Utility Water Payments	(5,206.50)
Ending Balance February 29, 2024	\$ 9,375,290.51

Note: The above amount includes:

Bond Reserve Fund	612,359.69
LSL Revolving Loan Fund *	465,603.37
Money Market Investment	1,021,992.36
ARPA Money Market Restricted - RWI	289,339.66
6 Month CD	514,735.62
3 Month CD	1,553,486.35
9 Month CD	1,034,932.38
Total	\$ 5,492,449.43

General Unrestricted Operating Cash	3,882,841.08
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*LSL revolving loan fund is cash available for funding LSL replacement and comes from customer repayment of LSL loans.



STATEMENT OF NET POSITION
FEBRUARY 29, 2024 AND 2023

<u>Assets and Other Debits Utility Plant</u>	Year to Date 2024	Year to Date 2023	<u>Liabilities and Other Credits</u>	Year to Date 2024	Year to Date 2023
			<u>Proprietary Capital</u>		
Utility Plant	122,365,454	89,342,134	Capital Paid by Municipal	1,640,701	1,640,701
Depreciation- Utility Plant	29,846,982	28,131,454	Unapprop. Earned Surplus	61,695,786	53,939,796
Net Utility Plant	<u>\$ 92,518,472</u>	<u>\$ 61,210,680</u>	Total Proprietary Capital	<u>\$ 63,336,487</u>	<u>\$ 55,580,497</u>
			Bonds, Loans & Advances	39,074,891	12,484,570
<u>Other Property and Investments</u>			Total Long Term Debt	<u>\$ 39,074,891</u>	<u>\$ 12,484,570</u>
Appropriated Funds	754,943	3,581,192			
Bond Redemption Fund	612,360	644,320	<u>Current & Accrued Liabilities</u>		
Net Pension Asset ¹	-	992,887	Accounts Payable	81	27,337
Deferred Outflow - Pension & OPEB ¹	2,648,031	2,025,204	Accrued Liabilities	920,010	1,086,285
Total Other Prop & Investment	<u>\$ 4,015,334</u>	<u>\$ 7,243,603</u>	Unearned Revenue ⁴	270,987	5,028,941
			Total Current & Accrued Liab.	<u>\$ 1,191,079</u>	<u>\$ 6,142,563</u>
<u>Current and Accrued Assets</u>					
Cash & Investments	8,008,738	7,071,740	<u>Deferred Credits</u>		
Accounts Receivable	1,345,170	1,618,679	Bond Premium	127,892	160,764
LSL Loan Receivable ²	673,410	191,936	Pre 2003 Depr on Contributed Assets	-	20,899
Grant Receivable - Restricted ³	0	21,886	Other Deferred Credits	0	0
Materials & Supplies Inventory	231,913	257,155		<u>\$ 127,892</u>	<u>\$ 181,663</u>
Prepaid Expenses	36,350	27,183			
Total Current & Accrued Assets	<u>\$ 10,295,580</u>	<u>\$ 9,188,579</u>	<u>Operating Reserves</u>		
			Net Pension & OPEB Liability ¹	835,240	190,275
Total Assets and Debits	<u>\$ 106,829,386</u>	<u>\$ 77,642,863</u>	Deferred Inflow - Pension & OPEB ¹	1,533,534	2,402,200
			Accrued Vac & Sick Leave	730,263	661,096
			Total Operating Reserve	<u>\$ 3,099,037</u>	<u>\$ 3,253,571</u>
			Total Liab & Other Credits	<u>\$ 106,829,386</u>	<u>\$ 77,642,863</u>

¹ See full audited Financial Statements for disclosures and details regarding pensions and OPEB.

² Receivable related to the SWU LSL loan program.

³ Grants Receivable - Restricted pertains to the Lead Water Service Lateral Replacement Program funded by the DNR.

⁴ Unearned Revenue is the remaining balance of unspent American Rescue Plan Act funding designated to the Raw Water Improvement project.



STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FEBRUARY 29, 2024 AND 2023

	2024		2023		Incr (Decr) YTD	% Incr/Decr YTD
	MONTH	YTD	MONTH	YTD		
Sales Revenue ¹	\$ 825,438	\$ 1,201,557	\$ 843,639	\$ 1,243,740	\$ (42,183)	-3.39%
Other Water Revenue ¹	\$ 5,216	\$ 5,747	\$ 5,621	\$ 12,143	\$ (6,395)	-52.67%
Total Operating Revenues	\$ 830,654	\$ 1,207,304	\$ 849,260	\$ 1,255,883	\$ (48,579)	-3.87%
Operating Expenses ²	394,574	597,880	363,245	605,763	(7,883)	-1.30%
Maintenance Expenses ³	91,103	149,005	73,389	140,158	8,847	6.31%
Depreciation Expenses	125,416	267,486	132,106	280,857	(13,372)	-4.76%
Taxes ⁴	96,951	138,109	97,344	146,716	(8,607)	-5.87%
Total Operating Expenses	\$ 708,045	\$ 1,152,478	\$ 666,084	\$ 1,173,494	\$ (21,015)	-1.79%
Utility Operating Income	\$ 122,609	\$ 54,826	\$ 183,177	\$ 82,389	\$ (27,563)	-33.46%
Other Income & Expense						
Non-operating Grant Revenue	-	-	13,586	21,886	(21,886)	
Non-Operating Grant Expenses	-	-	(13,586)	(21,886)	21,886	
Bond Premium	2,739	5,479	2,739	5,479	-	
Interest Earned on Investments	13,418	28,121	5,999	11,751	16,370	
Contributions	-	-	-	-	-	
Other Expense	-	-	-	-	-	
Misc Amortization	-	-	2,094	4,189	(4,189)	
Bond Interest Expense	(40,931)	(82,240)	(89,492)	(179,580)	97,340	
Change in Net Position	\$ 97,835	\$ 6,185	\$ 104,517	\$ (75,772)	\$ 81,957	

¹ The decrease in Operating Revenues is due to a decrease in water usage from the prior year and a decrease in miscellaneous billing.

² The decrease in Operating Expense is due to a decrease in treatment costs, health insurance claims and fees, and the timing of legal and audit invoices in early 2024.

³ The increase in Maintenance Expense is due to an increase in maintenance of heavy construction equipment, pumping structures maintenance, and meter maintenance.

⁴ The decrease in Tax Expense is due to a decrease in the City tax rates.



APPROVAL OF VOUCHERS
February 29, 2024

<u>Total Of The General Vouchers</u>	<u>\$ 5,829,737.81</u>
<u>Gross Payroll</u>	<u>\$ 216,772.18</u>
<u>Net Payroll</u>	<u>\$ 133,782.31</u>

BOARD OF WATER COMMISSIONERS

Previously signed at the March Board of Commissioners meeting.

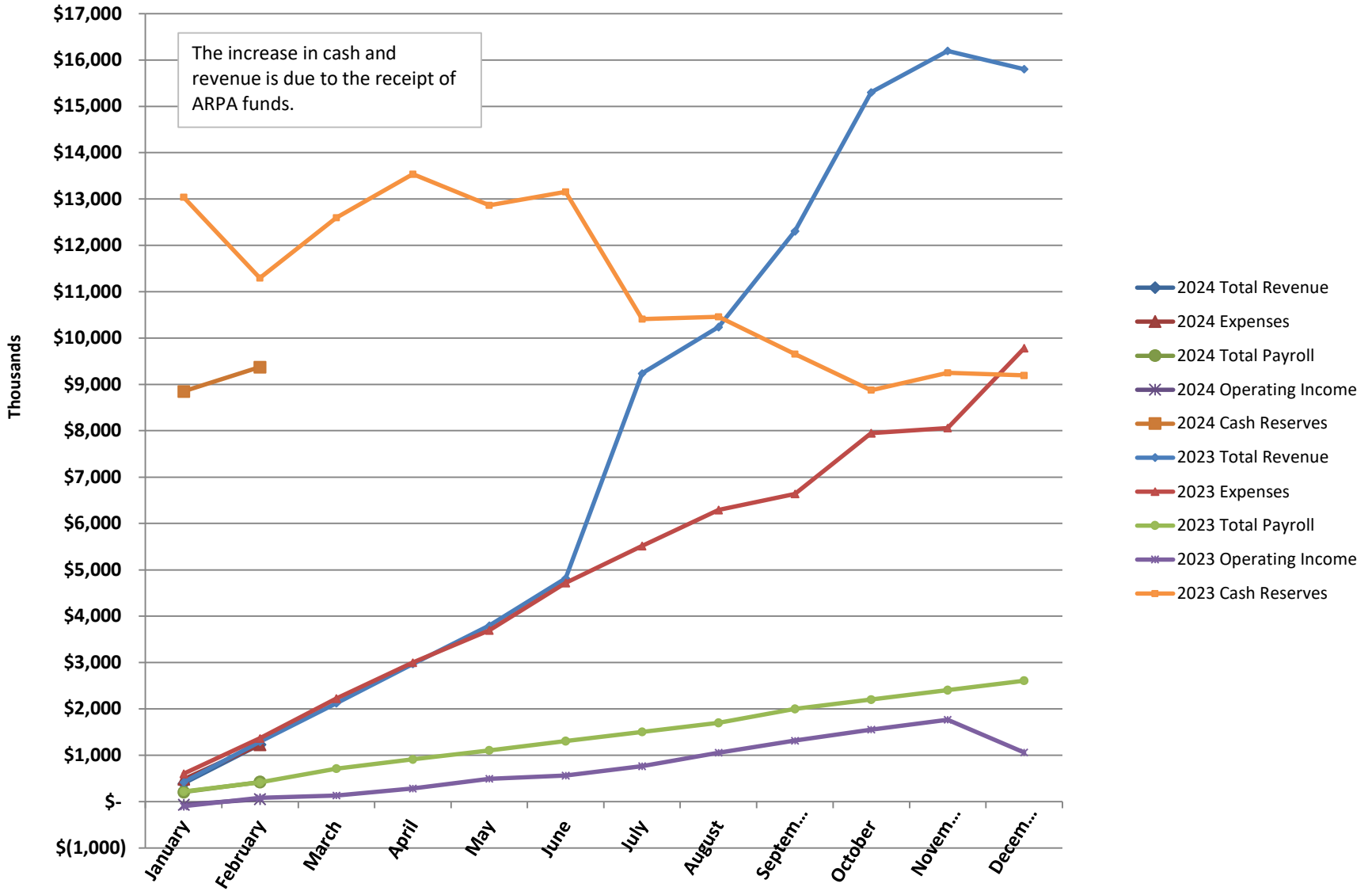
PRESIDENT

SECRETARY

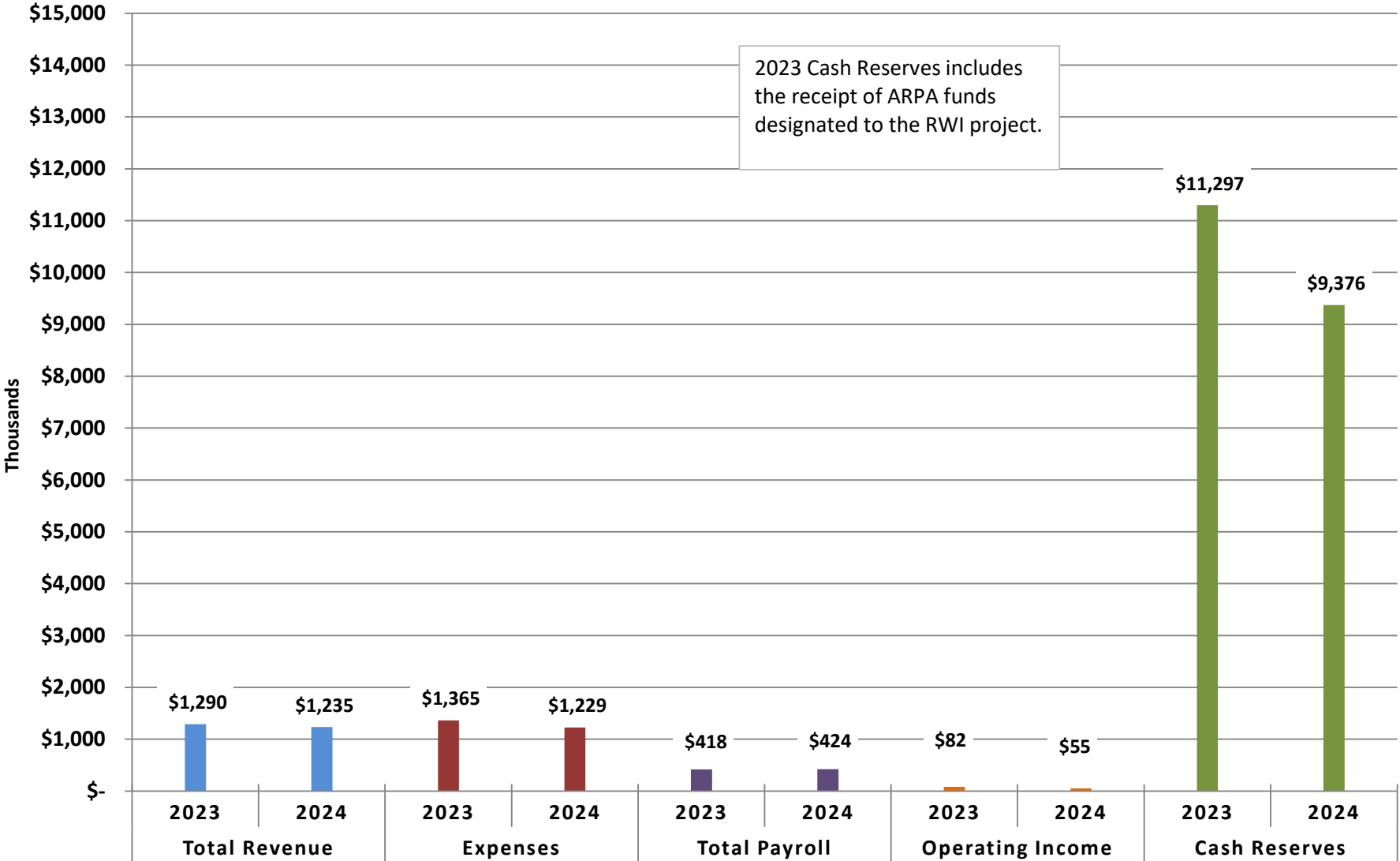
MEMBER

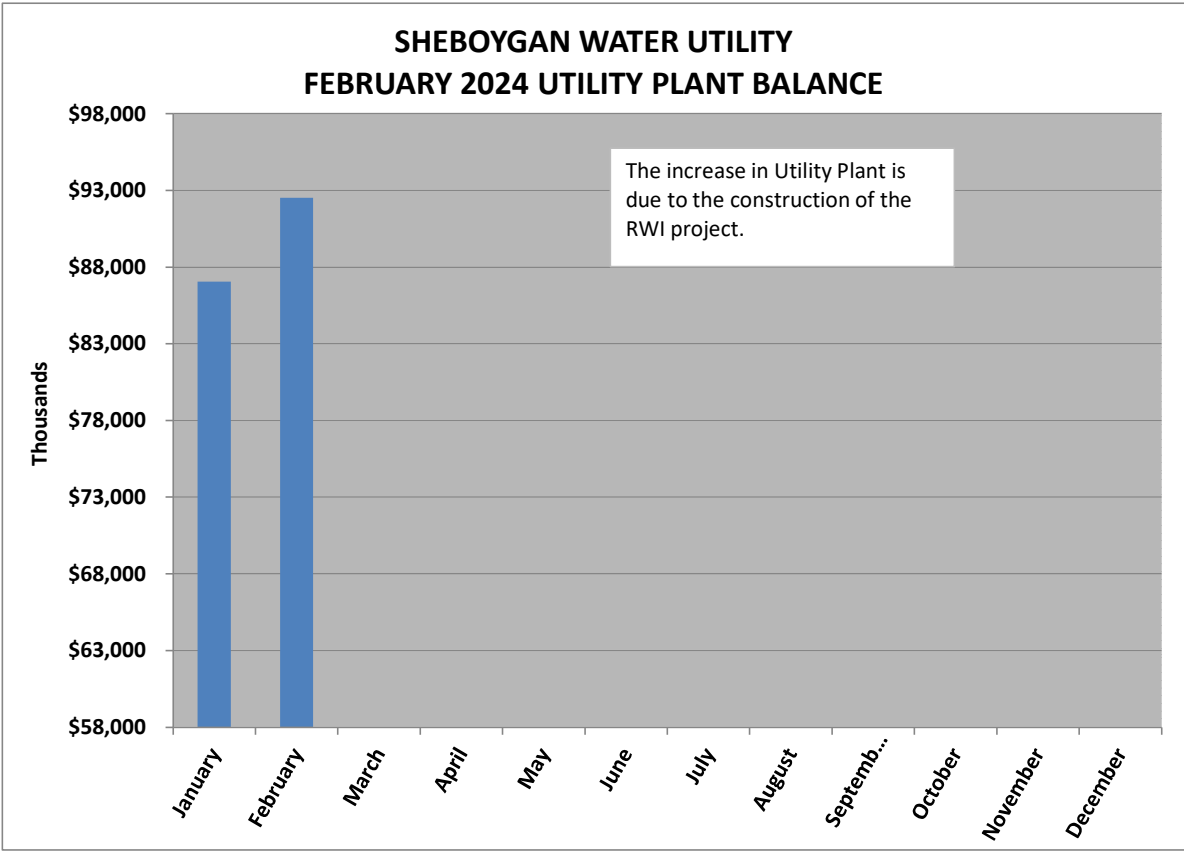
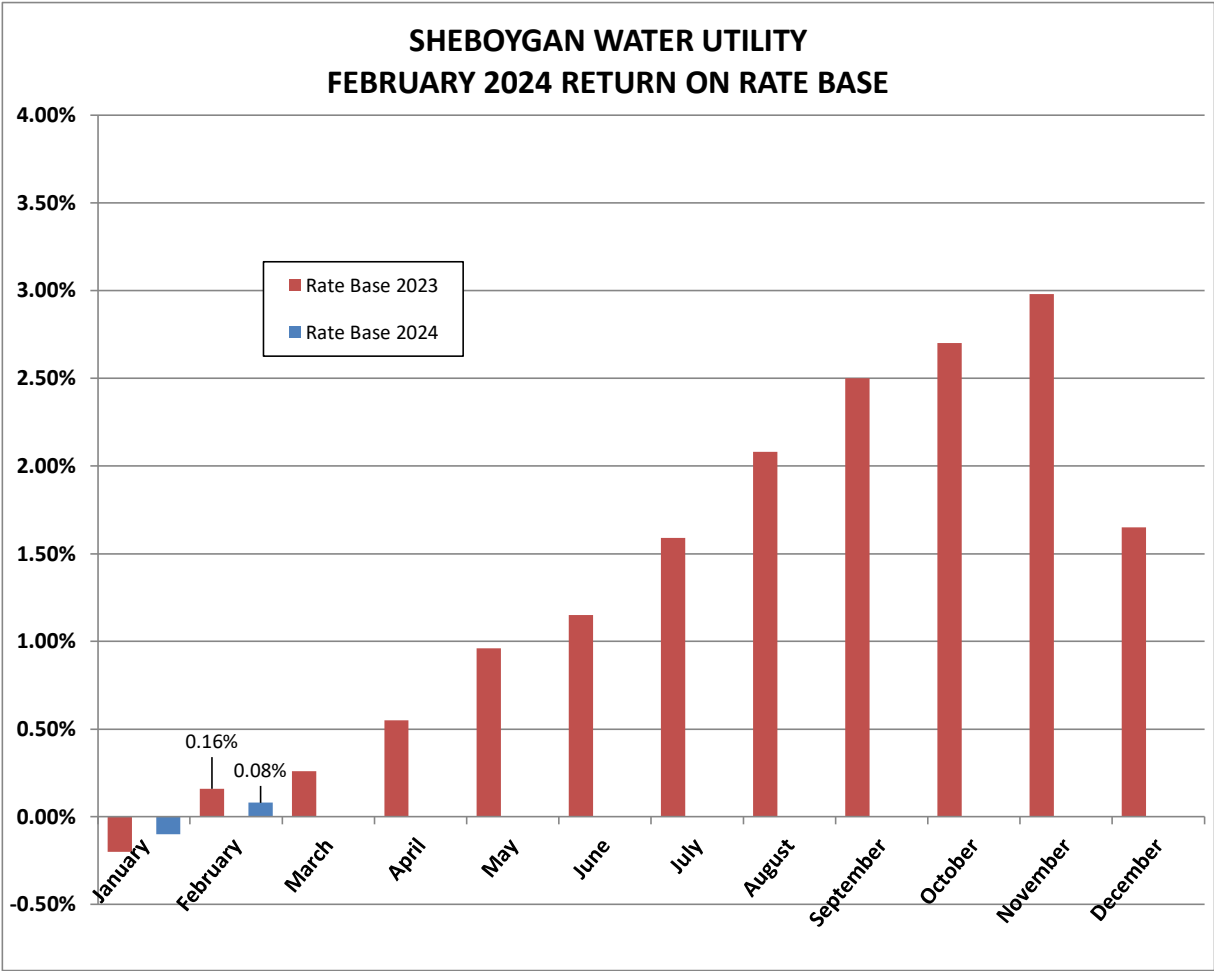
SUPERINTENDENT

SHEBOYGAN WATER UTILITY FEBRUARY 2024 MONTHLY FINANCIAL TREND



SHEBOYGAN WATER UTILITY FEBRUARY 2024 YTD FINANCIAL POSITION







REPORT OF BILLING

MARCH 2024

	<u>2024</u>	<u>2023</u>	<u>Increase or (Decrease)</u>
<u>Quarterly Metered*</u>			
(Dist I - north of Superior Ave)			
Residential	230,464.87	230,500.17	(35.30)
Multi-Family	18,285.24	18,296.25	(11.01)
Commercial	14,241.56	13,130.30	1,111.26
Industrial	648.16	498.52	149.64
Public	<u>2,901.83</u>	<u>3,039.91</u>	<u>(138.08)</u>
Subtotal	266,541.66	265,465.15	1,076.51

* Billing for scheduled district only for the three preceding months usage.

Public Fire Protection	65,481.59	65,505.92	(24.33)
Flat Rate	32,849.73	32,195.68	654.05
Monthly Metered	<u>333,428.83</u>	<u>342,862.87</u>	<u>(9,434.04)</u>
Sheboygan Net	698,301.81	706,029.62	(7,727.81)
Sheboygan Falls	45,211.51	42,792.82	2,418.69
Kohler	<u>25,860.82</u>	<u>25,702.20</u>	<u>158.62</u>
Total	769,374.14	774,524.64	(5,150.50)

Total accumulative billing for 2024 is \$2,324,837.15. A decrease of \$46,458.87 from 2023 accounted for as follows:

	<u>2024-Total Year to Date</u>
Sheboygan	(49,245.59)
Sheboygan Falls	3,566.43
Kohler	<u>(779.71)</u>
	(46,458.87)

Total bills mailed March, 2024: 6,930

Residential	6,191	Wholesale	5	Residential	3
Multi-Family	84	Multi-Family	9	Multi-Family	13
Commercial	212	Commercial	20	Commercial	197
Industrial	6	Industrial	65	Industrial	63
Public	34	Public	4	Public	24
Quarterly	6,527	Monthly	103	Flat Rate	300



RETURN ON RATE BASE
March 31, 2024

	MARCH 2024	MARCH 2023
<u>Add 2 YR Average</u>		
Utility Plant Balance	\$ 98,636,541	\$ 76,400,001
Materials and Supplies Inventory	\$ 242,351	\$ 241,960
<u>Less 2 YR Average</u>		
Reserve for Depreciation	\$ 27,003,133	\$ 25,469,079
Customer Adv for Const	\$ -	\$ 1,564
 Average Rate Base	 \$ 71,875,760	 \$ 51,171,318
 Net Operating Income YTD	 \$ 70,881	 \$ 133,711
 Net Operating Income As a Percent of Average Net Rate Base	 <u>0.10%</u>	 <u>0.26%</u>

Rate base is calculated using the two year average balance in the following accounts:
 Utility Plant Balance - includes all capital assets less any contributed capital assets.
 Materials and Supplies Inventory - includes all materials and supplies on hand and in inventory.
 Reserve for Depreciation - includes depreciation on capital assets less any contributed capital assets.



CASH RESERVE
March 31, 2024

Ending balance on report for February 29, 2024	9,375,290.51
Plus: Receipts	255,328.55
Misc Receipts	13,842.92
Direct Pay Receipts	428,039.47
LSL Repayment	27,051.39
Money Market/CDARs Investment Interest	26,154.82
Minus:	
Disbursements - vendors and payroll	(1,269,301.59)
Bank Service Fees & Credits	100.92
Health & Dental Claims/Adm Costs	(73,321.77)
NSF Checks & Customer Refunds	(1,089.09)
Invoice Cloud/Paymentech Deposit Fees	(8,855.46)
Reallocate Sewer/Garbage - payments	(211.73)
Reallocate Sewer/Garbage - monthly	(230.32)
SDWL RWI Reimbursement	598,239.64
TDS Cell Tower Rent Deposit	31,278.45
Correct Cash Receipt and OBD Manual Payment	3,758.33
WRS Preliminary Reconciliation	(0.05)
Postage	(4,000.00)
Automated Credit Card Payments	(3,587.99)
Utility Water Payments	(1,812.50)
Ending Balance March 31, 2024	\$ 9,396,674.50

Note: The above amount includes:

Bond Reserve Fund	612,359.69
LSL Revolving Loan Fund *	492,654.76
Money Market Investment	1,022,814.70
ARPA Money Market Restricted - RWI	289,339.66
6 Month CD	522,673.90
3 Month CD	1,559,412.57
9 Month CD	1,046,400.36
Total	\$ 5,545,655.64

General Unrestricted Operating Cash	3,851,018.86
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*LSL revolving loan fund is cash available for funding LSL replacement and comes from customer repayment of LSL loans.



STATEMENT OF NET POSITION
MARCH 31, 2024 AND 2023

<u>Assets and Other Debits Utility Plant</u>	<u>Year to Date 2024</u>	<u>Year to Date 2023</u>	<u>Liabilities and Other Credits</u>	<u>Year to Date 2024</u>	<u>Year to Date 2023</u>
			<u>Proprietary Capital</u>		
Utility Plant	123,059,593	90,087,606	Capital Paid by Municipal	1,640,701	1,640,701
Depreciation- Utility Plant	29,991,209	28,282,796	Unappropriated Earned Surplus	61,681,567	53,912,155
Net Utility Plant	<u>\$ 93,068,384</u>	<u>\$ 61,804,809</u>	Total Proprietary Capital	<u>\$ 63,322,268</u>	<u>\$ 55,552,856</u>
			Bonds, Loans & Advances	39,673,130	14,380,704
<u>Other Property and Investments</u>			Total Long Term Debt	<u>\$ 39,673,130</u>	<u>\$ 14,380,704</u>
Appropriated Funds	781,994	3,079,070			
Bond Redemption Fund	612,360	644,320	<u>Current & Accrued Liabilities</u>		
Net Pension Asset ¹	-	992,887	Accounts Payable	81	24
Deferred Outflow - Pension & OPEB ¹	2,648,031	2,025,204	Accrued Liabilities	1,063,033	1,267,205
Total Other Prop & Investment	<u>\$ 4,042,385</u>	<u>\$ 6,741,481</u>	Unearned Revenue ⁴	270,987	5,028,941
			Total Current & Accrued Liab.	<u>\$ 1,334,101</u>	<u>\$ 6,296,170</u>
<u>Current and Accrued Assets</u>					
Cash & Investments	8,003,070	8,871,708	<u>Deferred Credits</u>		
Accounts Receivable	1,489,831	1,779,689	Bond Premium	125,152	158,025
LSL Loan Receivable ²	668,707	149,578	Pre 2003 Depr on Contributed Assets	-	18,804
Grant Receivable - Restricted ³	0	29,036	Other Deferred Credits	0	0
Materials & Supplies Inventory	233,974	250,729		<u>\$ 125,152</u>	<u>\$ 176,829</u>
Prepaid Expenses	52,488	33,039	<u>Operating Reserves</u>		
Total Current & Accrued Assets	<u>\$ 10,448,071</u>	<u>\$ 11,113,779</u>	Net Pension & OPEB Liability ¹	835,240	190,275
			Deferred Inflow - Pension & OPEB ¹	1,533,534	2,402,200
Total Assets and Debits	<u>\$ 107,558,840</u>	<u>\$ 79,660,069</u>	Accrued Vac & Sick Leave	735,414	661,036
			Total Operating Reserve	<u>\$ 3,104,188</u>	<u>\$ 3,253,511</u>
			Total Liab & Other Credits	<u>\$ 107,558,840</u>	<u>\$ 79,660,069</u>

¹ See full audited Financial Statements for disclosures and details regarding pensions and OPEB.

² Receivable related to the SWU LSL loan program.

³ Grants Receivable - Restricted pertains to the Lead Water Service Lateral Replacement Program funded by the DNR.

⁴ Unearned Revenue is the remaining balance of unspent American Rescue Plan Act funding designated to the Raw Water Improvement project.



STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
MARCH 31, 2024 AND 2023

	2024		2023		Incr (Decr) YTD	% Incr/Decr YTD
	MONTH	YTD	MONTH	YTD		
Sales Revenue ¹	\$ 809,481	\$ 2,011,038	\$ 815,748	\$ 2,064,044	\$ (53,006)	-2.57%
Other Water Revenue	\$ 4,525	\$ 10,272	\$ 4,556	\$ 12,143	\$ (1,871)	-15.40%
Total Operating Revenues	\$ 814,006	\$ 2,021,310	\$ 820,304	\$ 2,076,186	\$ (54,876)	-2.64%
Operating Expenses ²	495,855	1,093,735	423,171	1,028,933	64,801	6.30%
Maintenance Expenses ³	75,288	224,292	110,200	250,358	(26,065)	-10.41%
Depreciation Expenses	125,254	392,740	132,099	412,956	(20,217)	-4.90%
Taxes ⁴	101,554	239,663	103,513	250,229	(10,567)	-4.22%
Total Operating Expenses	\$ 797,951	\$ 1,950,429	\$ 768,983	\$ 1,942,477	\$ 7,953	0.41%
Utility Operating Income	\$ 16,055	\$ 70,881	\$ 51,320	\$ 133,710	\$ (62,829)	-46.99%
Other Income & Expense						
Non-operating Grant Revenue	-	-	7,150	29,036	(29,036)	
Non-Operating Grant Expenses	-	-	(7,150)	(29,036)	29,036	
Bond Premium	2,739	8,218	2,739	8,218	-	
Interest Earned on Investments	27,554	55,675	5,697	17,448	38,228	
Contributions	-	-	-	-	-	
Other Expense	-	-	-	-	-	
Misc Amortization	-	-	2,094	6,283	(6,283)	
Bond Interest Expense	(60,568)	(142,808)	(89,492)	(269,072)	126,264	
Change in Net Position	\$ (14,220)	\$ (8,035)	\$ (27,641)	\$ (103,413)	\$ 95,379	

¹ The decrease in Operating Revenues is due to a decrease in water usage from the prior year and a decrease in miscellaneous billings.

² The increase in Operating Expense is due to purchase of IT hardware and software in distribution, an increase of LSL costs from prior year, new equipment lease, an increase in customer service salaries and legal fees, and purchase of uniform clothing for work crews.

³ The decrease in Maintenance Expense in 2024 is due to a large rehabilitation project in upper garage area in 2023.

⁴ The decrease in Tax Expense is due to a decrease in the City tax rates.



APPROVAL OF VOUCHERS
March 31, 2024

<u>Total Of The General Vouchers</u>	<u>\$ 922,308.04</u>
<u>Gross Payroll *</u>	<u>\$ 320,060.83</u>
<u>Net Payroll *</u>	<u>\$ 197,329.94</u>

3 pay periods in March

BOARD OF WATER COMMISSIONERS

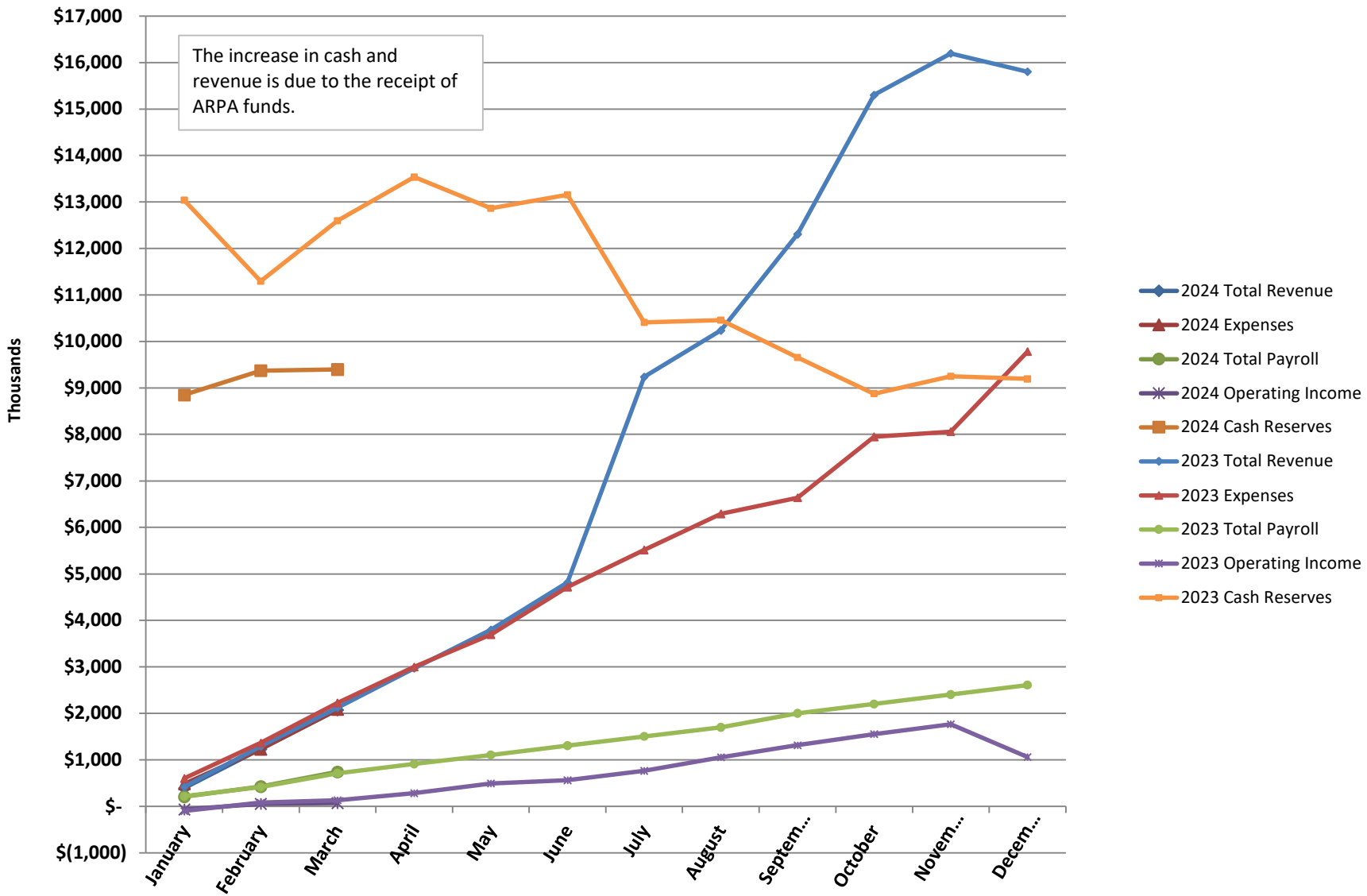
PRESIDENT

SECRETARY

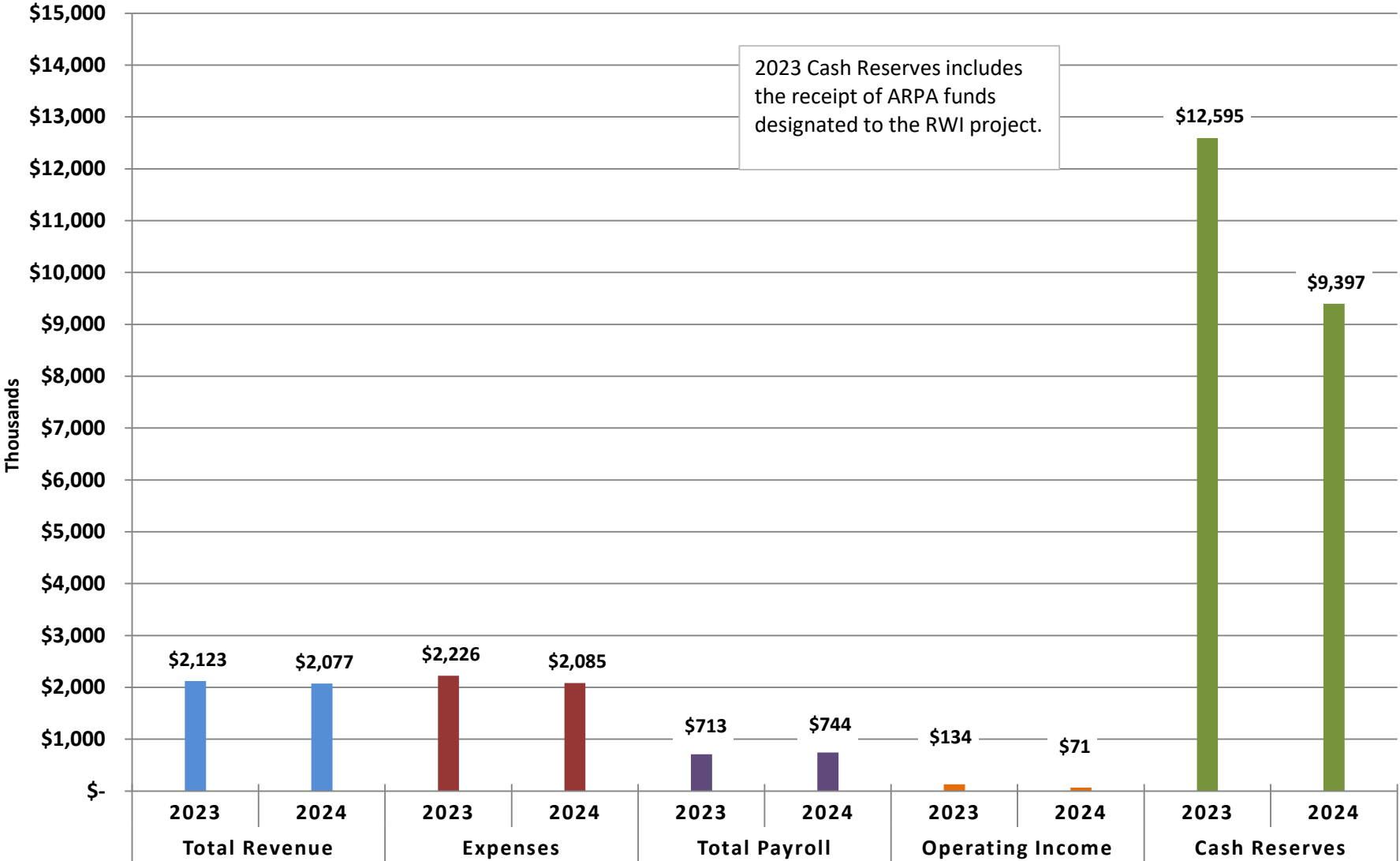
MEMBER

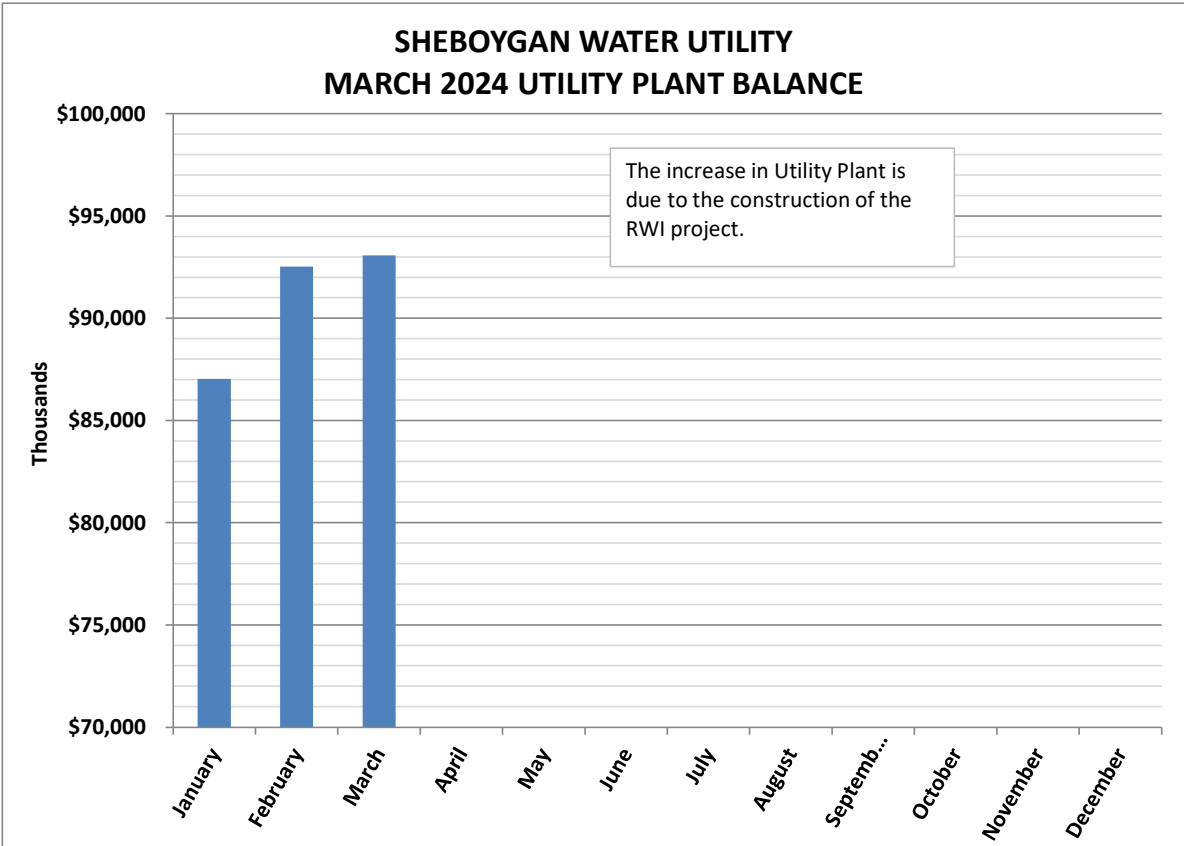
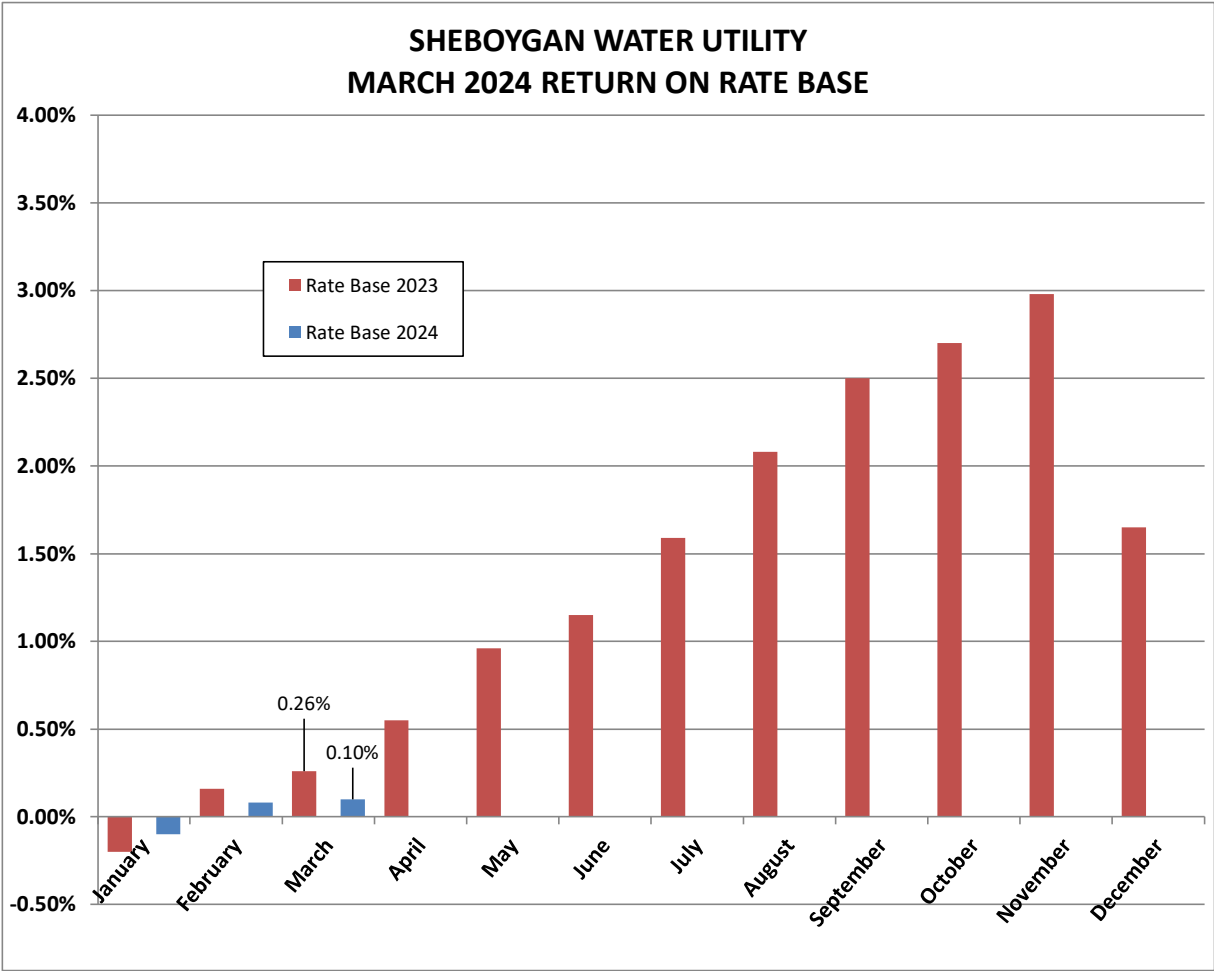
SUPERINTENDENT

SHEBOYGAN WATER UTILITY MARCH 2024 MONTHLY FINANCIAL TREND



SHEBOYGAN WATER UTILITY MARCH 2024 YTD FINANCIAL POSITION





March 2024

OPERATIONS' DEPARTMENT MONTHLY REPORT

PUMPAGE	HIGH LIFT		LOW LIFT		2024 VS 2023
	2023	2024	2023	2024	
Total in MG	357,984	337,269	372,929	344,263	HL -5.79%
Daily Average (MG)	11,548	10,896	12,030	11,105	
Max. Day (MG)	12,760	12,040	13,100	12,817	2024 VS 2022
					HL
Gal/KwH	1,188	1,240	4,886	9,671	-7.29%
ELECTRICAL COSTS					
	2023		2024		
A. Pumping:	KwH	\$	KwH	\$	
High Lift	299,307	\$24,936.75	271,010	\$23,643.65	
Low Lift	75,838	\$6,318.44	35,597	\$3,105.58	
Wash Pump 1	10,500	\$874.84	2,800	\$244.28	
Georgia St. Bstr.	59,700	\$5,977.28	46,200	\$5,126.66	
Wilgus Ave. Bstr.	3,000	\$428.91	2,900	\$422.51	
EE Pit / Bstr.	6,450	\$874.79	5,286	\$735.73	
Erie Ave. Bstr.	16,000	\$2,397.48	16,400	\$2,721.72	
Sub Total	470,795	\$41,808.49	380,193	\$36,000.13	\$/KwH 6.6%
B. Treat./Fiscal/Misc.	KwH	\$	KwH	\$	
Office & Maint. Bldg.	4,858	\$675.38	3,913	\$468.51	
Filter Plant / Pump Station / 2nd Service	63,155	\$5,924.06	119,793	\$11,307.67	
Sub Total	68,013	\$6,599.44	123,706	\$11,776.18	\$/KwH -1.9%
C. Distribution:	KwH	\$	KwH	\$	
Taylor Hill Tank	2,622	\$370.45	2,315	\$335.63	
Horizon Tower			1,583	\$248.89	
EE Tower	1,449	\$214.49	1,188	\$181.48	
Washington (PRV) Pit	1,096	\$175.48	617	\$107.75	
Sub Total	5,167	\$760.42	5,703	\$873.75	\$/KwH
Total Electrical Costs	543,975	\$49,168.35	509,602	\$48,650.06	5.6%
Electrical Cost / MG		\$137.35		\$144.03	
NATURAL GAS COSTS					
	2023		2024		
	CCF Used	Cost	CCF Used	Cost	
Production Facility	1,903	\$1,646.12	2,137	\$1,216.90	
South Basin	2,705	\$2,473.37	2,526	\$1,473.47	
Raw Pump Station			476	\$294.26	
Georgia St. Bstr.	143	\$150.66			
Erie Ave. Bstr.	315	\$292.53	242	\$164.99	
Wilgus Ave. Bstr.	49	\$61.75			
Office & Maint. Bldg.	1,130	\$1,042.99	994	\$582.52	\$/CCF
Total Natural Gas Costs	6,245	\$5,667.42	6,375	\$3,732.14	-35.5%
Natural Gas Cost / MG		\$15.83		\$11.05	
CHEMICAL COSTS					
	2023		2024		
	Lbs. Used	Cost	Lbs. Used	Cost	
Alum	81,009	\$16,323.31	39,247	\$8,300.74	5.0%
Carbon	0	\$0.00	0	\$0.00	#DIV/0!
Chlorine	6,776	\$13,755.28	5,519	\$10,375.72	-7.4%
Fluoride	1,643	\$3,321.32	1,639	\$4,161.63	25.6%
KMnO4	0	\$0.00	0	\$0.00	#DIV/0!
Cationic Polymer	1,374	\$2,129.70	0	\$0.00	#DIV/0!
Liquid Phosphate	4,001	\$12,239.06	3,956	\$11,642.51	-3.8%
Total Chemical Costs		\$47,768.67		\$34,480.60	-27.8%
Chemical Cost / MG		\$133.44		\$102.08	
Grand Total		\$102,604.44		\$86,862.80	-15.34%
Total Cost / MG		\$286.62		\$257.16	-10.28%

YTD HL 2024 vs 2023	-3.24%	YTD HL HIGH DAY PUMPAGE	12.648	January 15, 2024
YTD HL 2024 vs 2022	-7.82%	YTD HL LOW DAY PUMPAGE	8.349	January 1, 2024

NOTE: New intake performance testing began Feb. 28, 2024. Water through the new intake was isolated and treated through ~1/3 of the treatment plant throughout March. Initial raw water quality review represents reduced raw water turbidity ~71%. Additionally, it appears chemical usage has also been reduced: Alum 51% and Hypo 18%

	YTD HL Ave Day
2024	10.957
2023	11.448
2022	12.036

COMPARATIVE SUMMARY OF PLANT OPERATIONS

March 2023

vs

March 2024

Pumping Record

High Lift

Low Lift

	2023	2024	Diff.		2023	2024	Diff.
Tot. Water in MG	357.984	337.269	-5.79%	Tot. Water in MG	372.929	344.263	-7.69%
Daily Average	11.548	10.896	-5.65%	Daily Average	12.030	11.105	-7.69%
Maximum Day	12.760	12.040	-5.64%	Maximum Day	13.100	12.817	-2.16%
Minimum Day	9.645	8.156	-15.44%	Minimum Day	9.869	8.581	-13.05%
By Natural Gas	2.365	1.808	-23.55%	By Natural Gas	2.365	0.000	-100.00%
Power in KWH	299,307	271,010	-9.45%	Power in KWH	75,838	35,597	-53.06%
Gals. per KWH	1,188	1,240	4.35%	Gals. per KWH	4,886	9,671	97.94%
Power \$ / KWH	\$0.08331	\$0.08724	4.72%	Power \$ / KWH	----	----	----
Power \$ / MG	\$69.66	\$70.00	\$0.34	Power \$ / MG	\$16.94	\$9.02	(\$7.92)
Tot. Power \$/MG	\$138.49	\$153.23	\$14.74	Tot. Power \$/MG	----	----	----

Treatment Chem.

Lbs. Used

Cost

Total Lbs.	2023	2024	Diff.	Total Cost	2023	2024	Diff.
Alum	81,009	39,247	-51.55%	Alum	\$16,323.31	\$8,300.74	(\$8,022.57)
Carbon			#DIV/0!	Carbon	\$0.00	\$0.00	\$0.00
Chlorine	6,776	5,519	-18.55%	Chlorine	\$13,755.28	\$10,375.72	(\$3,379.56)
KMnO4	0	0	#DIV/0!	KMnO4	\$0.00	\$0.00	\$0.00
Polymer	1,374	0	-100.00%	Polymer	\$2,196.97	\$0.00	(\$2,196.97)
Liquid Phosphate	4,001	3,956	-1.12%	Liquid Phosphate	\$12,239.06	\$11,642.51	(\$596.55)
Lb/ MG:				Cost / MG:			
Alum	217.2	114.0	-47.52%	Alum	\$43.77	\$24.11	(\$19.66)
Carbon	0.0	0.0	#DIV/0!	Carbon	#DIV/0!	#DIV/0!	#DIV/0!
Chlorine	18.2	16.0	-11.77%	Chlorine	\$36.88	\$30.14	(\$6.75)
KMnO4	0.0	0.0	#DIV/0!	KMnO4	#DIV/0!	#DIV/0!	#DIV/0!
Liquid Phosphate	10.7	11.5	7.11%	Liquid Phosphate	\$32.82	\$33.82	\$1.00
Fluoride:				Fluoride:			
Total Lbs.	1,643	1,639	-0.24%	Cost	\$3,321.32	\$4,161.63	\$840.31
mg/l applied as F	0.74	0.68		Cost/MG	\$9.29	\$12.34	\$3.05
Av. Res. Plt. Tap	0.71	0.70					

Water Quality:

Raw

TAP

	2023	2024
Turbidity	10.10	2.90
pH	8.23	8.33
Alkalinity	118.2	112.4
MF (E-Coli)	3.9	0.4
Temperature	35.8	38.4
Wash-H2O % /LL	2.38	2.30
Av. Flt. Run/hrs	93.7	96.2
Av. ROF / MG	1.41	1.34

	2023	2024
Turbidity	0.040	0.039
pH	7.52	7.75
Alkalinity	104.9	104.1
Plate Count	0.00	0.00
Colilert	0	0
Temp.	37.6	41.3
Cl Res.	0.88	0.85

Natural Gas:

	2023	2024		2023	2024	Diff.
Nat. Gas Heating	4,048	3,985	Plant & South Basin	\$3,635.34	\$2,304.23	(\$1,331.11)
Nat. Gas Pumping	560	678		\$484.15	\$386.14	(\$98.01)

	CCF	Cost	Natural Gas Cost	Natural Gas CCF
#3 Gas Pump	127.1	\$72.38	\$2,690.37	4,663
#4 Gas Pump	396.0	\$225.50		
#7 Gas Pump	5.0	\$2.85		
Electric Generator	150.0	\$85.42		
Pumping totals	678.1	\$386.14		

March 2024

		4/1/2024	3/1/2024	
Elapsed Time:				
% Run	No. 6 Pump	76,415.1	76,415.1	0.0
3.47%	Wash Pump Meter	5,999.94	5,974.16	25.78
0.0%	No. 7 Pump	883.0	882.8	0.2
0.0%	No. 8 Pump	59,554.4	59,554.4	0.0
82.9%	No. 9 Pump	35,466.0	34,849.0	617.0
0.0%	No. 11 Pump			
0.0%	No. 12 Pump			
0.0%	No. 13 Pump			
0.0%	No. 14 Pump			
1.9%	Wash Pump 2	213	199	14
	No. 1 Prime Pump	1,062.8	1,060.8	2.0
	No. 2 Prime Pump	1,147.9	1,144.5	3.4

		4/1/2024	3/1/2024	
Wathour Meters:				
Kw/Hr run	Wash Pump 1	1343.1	1339.1	2,800
108.6	No. 14 Pump			
#DIV/0!	No. 13 Pump			
#DIV/0!	No. 12 Pump			
#DIV/0!	No. 11 Pump			
57.7	No. 9 Pump	6479.47	6443.87	35,597
#DIV/0!	No. 8 Pump	6843.3	6843.3	0
#DIV/0!	No. 6 Pump	2916.2	2916.2	0
83.7	Wash Pump 2	22,554	21,577	1,172
#DIV/0!	No. 1 Pump	10076.96	10076.96	0
#DIV/0!	No. 2 Pump	5002.007	5002.007	0
297.4	No. 3 Pump	1614.31	1491.62	122,690
#DIV/0!	No. 4 Pump			0
479.7	No. 5 Pump	13,389.440	13,241.120	148,320
	Garage (MWatt/Hrs.)	1,133.41	1,129.67	3,740

Power Co. (Step #3)	44,481	44,122	430,800
Left Meter - OUTSIDE			
Volume Used:			
Nat. Gas (Correct)	47,093,969	46,933,238	202,039

		4/1/2024	3/1/2024	
Elapsed Time:				
% Run	Emer. Generator	1,185.5	1,178.0	7.5
0.0%	Raw Pumpstation Gen			
0.0%	No. 1 Pump	18,686.1	18,686.1	0.0
55.5%	No. 2 Pump	21,331.56	21,331.56	0.00
0.6%	No. 3 Elec. Pump	5,504.0	5,091.5	412.6
0.0%	No. 3 Nat. Gas Pump	619.1	615.0	4.1
0.0%	No. 4 Elec. Pump	0.00	0.00	0.0
1.2%	No. 4 Nat. Gas Pump	173.3	164.5	8.8
41.6%	No. 5. Pump	27,993.230	27,684.040	309.190
0.7%	UV Building Generator	193	187.8	5.2

		4/1/2024	3/1/2024	
SLUDGE No. 1 Hour Meter		0.0	0.0	0
SYSTEM No. 2 Mag Meter		1,113,620	916,610	197,010
No. 3 Raw Station				197,010
Recycle Meter (Reset to zero each month)				

Power Cost	\$0.0872427	Bill >>>	\$35,909.10
	0.4481375	KWH >>>	411,600
Init. Chg.	\$37,584.16		
	\$	KWH	
Low L. (1929)	\$3,105.58		35,597
Low L. (2024)	\$0.00		0
Horizon	\$248.89		1,583
Taylor	\$335.63		2,315
ALT. 72 Park	\$717.02		1,600
Geo. Ave.	\$5,126.66		46,200
Wilgus Ave.	\$422.51		2,900
EE Pit	\$735.73		5,286
EE Tower	\$181.48		1,188
Washington	\$107.75		617
Office	\$468.51		3,913
Erie Ave.	\$2,721.72		16,400
Total	\$51,755.64		548,399
		Low L. KWH	35,597
		L.L. Cost \$	\$3,105.58
		High L. KWH	271,010
		H.L. Cost \$	\$23,643.65
		Total Cost	\$26,749.23
		Plant Costs	\$11,307.67

SUMMARY

	HIGH LIFT		LOW LIFT	
	2023	2024	2023	2024
Tot. Pump	357.984	337.772	372.929	344.263
Daily Ave.	11.548	10.896	12.030	11.105
Max. Day	12.760	12.040	13.100	12.817
Min. Day	9.645	8.156	9.869	8.581
By Nat. Gas	2.365	1.808	2.365	0.000
Power KWH	299,307	271,010	75,838	35,597
Gals/KWH	1188	1240	4886	9671
Cost/KWH	\$0.08331	\$0.08724	*****	*****
Cost/MG	\$69.66	\$70.00	\$16.94	\$9.02
Tot. Cost/MG	\$138.49	\$153.23	*****	*****

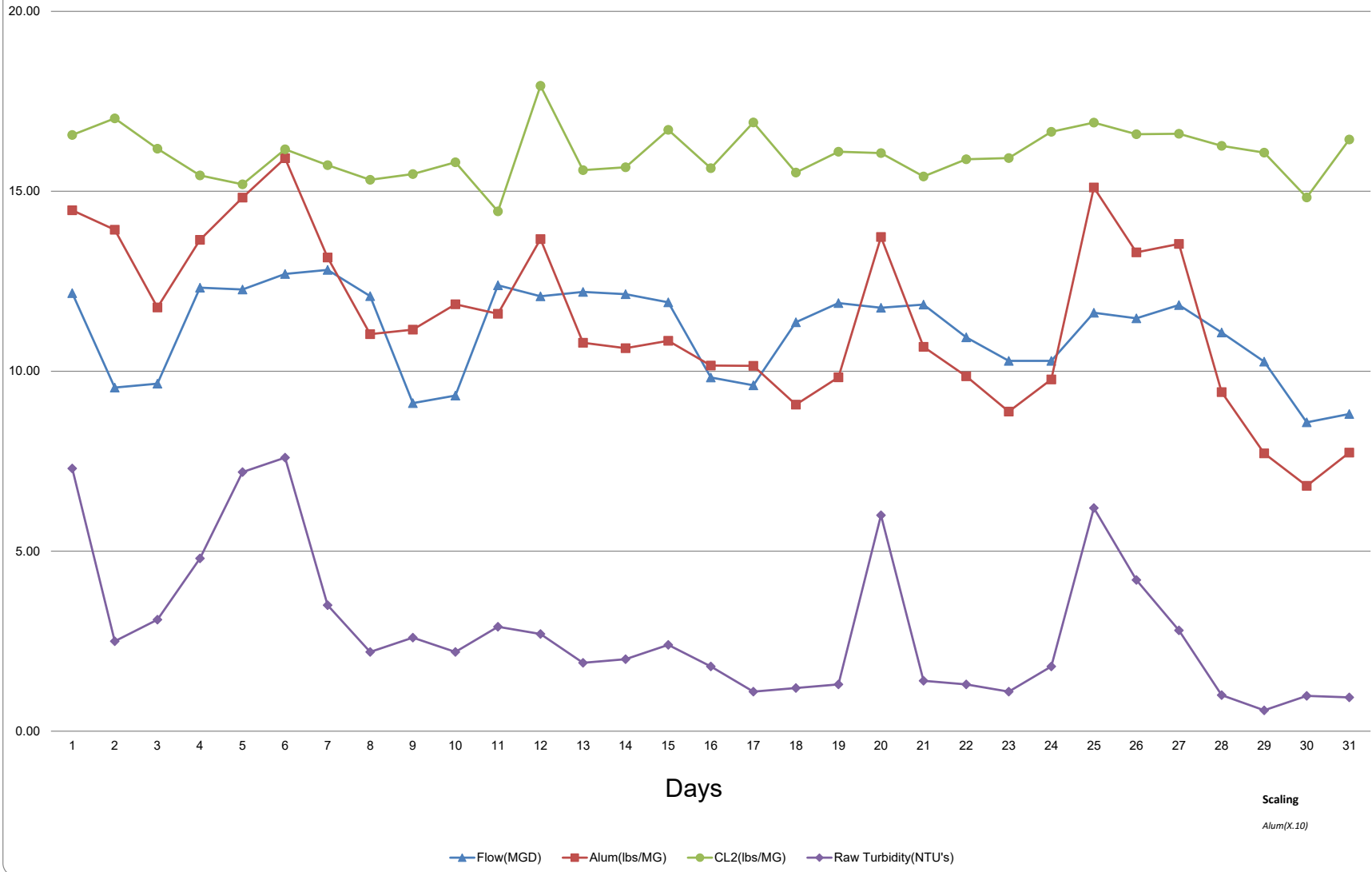
HIGH LIFT DELIVERY QUARTERLY REPORT 2024				
I. FIRST QUARTER		Jan - Feb - Mar		
		GALLONS	COST \$	\$/MG
	2023	1,028,642,000	\$290,526.13	\$282.44
	2024	995,348,000	\$277,403.58	\$278.70
	Percent Difference	-3.24%	-4.52%	-1.32%
II. SECOND QUARTER		Apr - May - Jun		
		GALLONS	COST \$	\$/MG
	2023	1,136,726,000	\$286,793.50	\$252.30
	2024	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
III. THIRD QUARTER		Jul - Aug - Sep		
		GALLONS	COST \$	\$/MG
	2023	1,240,280,000	\$306,280.54	\$246.94
	2024	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
IV. FOURTH QUARTER		Oct - Nov - Dec		
		GALLONS	COST \$	\$/MG
	2023	1,039,681,000	\$274,137.72	\$263.67
	2024	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
YEAR TO DATE : 2024				
		GALLONS	COST \$	\$/MG
ELECTRICITY CHEMICALS NATURAL GAS	2023	4,445,329,000	\$1,157,737.89	\$260.44
	2024	995,348,000	\$277,403.58	\$278.70
	Percent Difference	-77.61%	-76.04%	7.01%
YEAR TO DATE : 2024				
		GALLONS	COST \$	
SLUDGE DISPOSAL to WWTP	2023	4,838,061	\$62,503.75	
	2024	497,650	\$6,385.57	
	Percent Difference	-89.71%	-89.78%	
STORM WATER CHARGES	2024	NA	\$0.00	
HIGH LIFT SYSTEM DELIVERY :				
	Maximum Pumpage Day	12,648,000	January 15, 2024	
	Minimum Pumpage Day	8,349,000	January 1, 2024	

	MG	\$	\$/MG
2023	4,445,329,000	\$1,157,737.89	\$260.44
2024	995,348,000	\$277,403.58	\$278.70

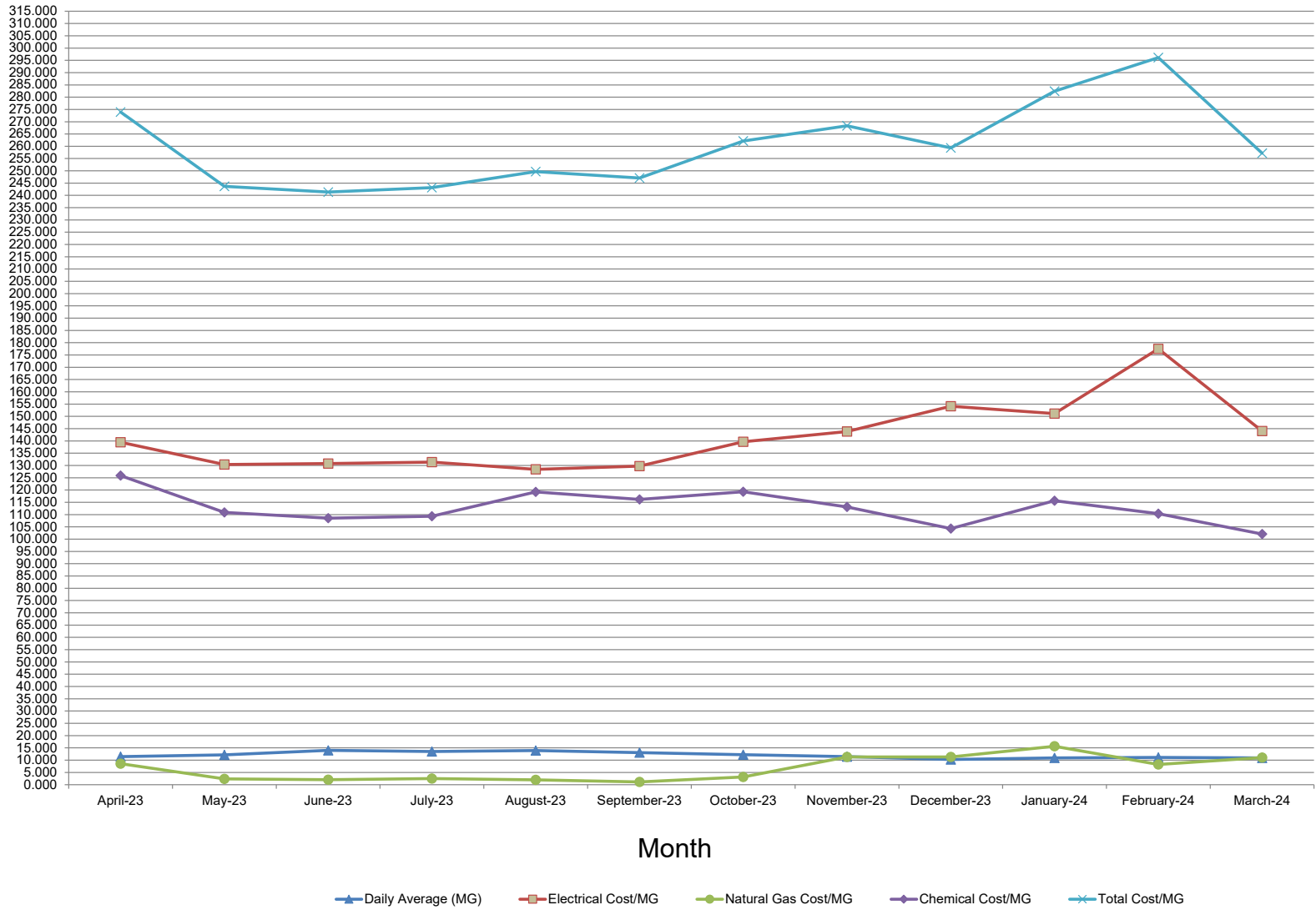
NOTE: Monthly sludge disposal costs do not reflect the current actual monthly sludge discharge total to date.
 Filtrate discharges from Spring/Fall sludge disposal operations are included in 2023 treatment plant sludge disposal costs.
 Spring/Fall basin sludge/residual solids volumes and disposal costs are contract work.
 Sludge disposal costs are not included in \$/MG.

March 2024: Sheboygan Water Utility Plant Operations Summary

Item 4.



Plant Operations: Expense Report



Filter Plant Maintenance Completed For March 2024

Subject	StartDate	EndDate	Description
			Yellow indicates days operating or running labs
Joshua Covering 3rd Shift	1-Mar-24	3-Mar-24	Joshua covering 3rd shift for Mark.
Joshua Off for Coverage	4-Mar-24	5-Mar-24	Joshua off for covering 3rd shift.
Filter #3 filter media	4-Mar-24		Added new filter media to Filter #3 rinsed and washed layers
Filter #3 filter media	5-Mar-24		Added new filter media to Filter #3 rinsed and washed layers
Dan 2nd shift for Mark	6-Mar-24	8-Mar-24	Dan covering 2nd shift for Mark
Filter #4 filter media	6-Mar-24		Added new filter media to Filter #4 rinsed and washed layers
Joshua Time Off	7-Mar-24	10-Mar-24	Joshua on vacation.
Filter Hall Floor	11-Mar-24		Begin removing adhesive from filter hall floor.
Filter 4	11-Mar-24		Install sample line insulation.
South Basin Eyewash	11-Mar-24		Exercise south basin bulk alum storage area eyewash station.
Filter 4	11-Mar-24		Replace 1/2 sample line master valve.
Filter 3 and 4	11-Mar-24		Filter to waste, wash, check pressures, and filter to waste.
Hand Rail 3-6	11-Mar-24		Continue painting the filter hall hand rail.
Generator Oil Pressure	11-Mar-24		Replace the generators oil pressure sender; was reading 10psi erratic now reads 85 psi cold start.
Monday Meeting	11-Mar-24		Topics include filter 3/4 maintenance, check valves for L.L., coverage, sampling, DNR survey prep, reservoir maintenance, fire extinguisher return, etc.
Plant Garbage	11-Mar-24		Throw out garbage and recycling.
Dan covering Lab	11-Mar-24	12-Mar-24	Dan covering lab for Eric
Viking	12-Mar-24		Pickup two new float switches for sewage lift pump.
EE Tower	12-Mar-24		Install new outfall screen (stainless) , walk grounds, and turn off heater.
Wilcus Ave.	12-Mar-24		Return fire extinguisher, water grass, sweep/rinse floor, walk grounds, and turn off heater.
Chemical Feed System	12-Mar-24		Attend chemical feed system training for raw water improvement project.
Raw Water SWAN	12-Mar-24		Attend SWAN instrument training in raw water building.
Raw Water Traveling Screens	12-Mar-24		Attend Evoqua traveling screen training.
West SWAN Analyzer	13-Mar-24		Replace filter vessel for flow cell.
Laboratory Paper Towel Holder	13-Mar-24		Re-install paper towel holder.
UV Room	13-Mar-24		Place UV sleeve and bulb replacement components in mezzanine.
UV Reference Check	13-Mar-24		Perform UV reference check.
Taylor Hill	13-Mar-24		Taylor hill reagents filled and heaters turned off
Horizon tower	13-Mar-24		Checked tower reagents and turned off heat
Erie pump station	13-Mar-24		Maintenance checks and turned off heat
EE pit	13-Mar-24		Maintenance checks and turned off heat
Washington pit	13-Mar-24		Maintenance checks and turned off heat
Georgia pump station	13-Mar-24		Maintenance checks and turned off heat in pump station and dog house
New low lift training meeting	14-Mar-24		Meeting in new low lift for project information and construction updates
Menards	14-Mar-24		Purchase storage totes, air hose, fittings, etc.
Truck 10	14-Mar-24		Clean bed mat, install bed mat, organize misc. tools, and diagnose L.E.D. strobe inop; need a new strobe.
Filter 4	14-Mar-24		Replace sample feed hose and plumbing; repairing small water leak.
UV Reference Check	15-Mar-24		Enter UV reference data.
Filter Maintenance	15-Mar-24		Place 4'x8' plywood, 21x101x18' boards, wheelbarrow, etc. in Johnson shed.
Filter Hall	15-Mar-24		Sweep and wash filter hall floor.
UV Room	15-Mar-24		Clean floor (Tyler).
Flipse	15-Mar-24		Order and store Flipse order.
Filter Hall 2	15-Mar-24		Store fabricated 4'x4' plywood sections used during filter maintenance in south basin bulk alum storage area.
Filter 3	15-Mar-24		Replace and reroute sample hose.
Filter 3+4	15-Mar-24		Insulate sample lines and clean area.
Monday Meeting	18-Mar-24		Topics include coverage, DNR inspection prep, remote station temperature alarms, raw water pump station check valves, etc.
EE pit heater	18-Mar-24		Removed heater from EE pit, fan not working
Georgia dog house heater	18-Mar-24		Removed Georgia dog house barn heater that was in pipe vault, heater was not working, turned on top barn heater
Actuator Fuse	18-Mar-24		Replace two fuses in 201 backwash decant valve actuator.
Rapid Mix Hall	18-Mar-24		Replace 6 lights with L.E.D. bypass bulbs.
Reservoir and pit Heaters ON	18-Mar-24		Turned reservoir and pit heaters back on due to cold temperatures

PO Error	18-Mar-24		Contact Lisa and ask to remedy PO vendor error; should be Mulcahy Shaw not Hawkins.
Misc. Safety Yellow Areas	18-Mar-24		Touch up filter hall rails, hypo feed room tubes, rapid mix rails, etc.
EE pit Barn heater	18-Mar-24		Put a temporary barn heater in EE Pit
Georgia Ave.	19-Mar-24		Install new milkhouse heater in doghouse lower level.
Menards	19-Mar-24		Purchase small heater for Georgia Ave., replacement heater for EE pit, cleaning supplies, and ½" stainless steel ball valves.
South Basin Emergency Light	19-Mar-24		Install a new South basin emergency light; assembly located by switch gears.
New Heater	19-Mar-24		Remove wiring from old heater and wire new unit.
EE Pit Heater	19-Mar-24		Install a new heater in EE pit.
Clearwell extension vent screen	19-Mar-24		Replaced screens on Clearwell extension vents
Replaced light south basin	19-Mar-24		Replaced light bulb in south basin plate settling area
Brenda Retirement Party	20-Mar-24		Brenda retirement lunch/party at 11:30
Joshua Doctors Appointment	20-Mar-24		Joshua off for doctors appointment; 0630-1030.
Alum Day Tank Area	20-Mar-24		Sweep, scrub, rinse, and repeat until clean.
Rapid Mix Area	20-Mar-24		Continue cleaning
Trash and cardboard	20-Mar-24		Removed trash and cardboard from filter plant
Verified hatches locked	20-Mar-24		Verified that all basin hatches have locks, placed new lock on sludge pit
Chemical pump labels	20-Mar-24		Verified all chemical feed pumps are labeled and up to date
H.L. Metal and Garbage	20-Mar-24		Remove old 2" pipe and garbage from high lift area.
Cardboard Dumpster	20-Mar-24		Cut up and stack cardboard in dumpster.
Low Lift 6	20-Mar-24		Greased bearings, cleaned water drains, labeled, etc.
Lift Station Air Hoses	20-Mar-24		Install new hose, repair old hoses, and purge lines of moisture.
Crane Operations 13:00	21-Mar-24		Attend raw water pump station crane training.
Menards	21-Mar-24		Purchase thermometer, CLR, rubber gloves, etc.
Air Compressor	21-Mar-24		Hot rod new air nozzles and install new storage eyelet.
Bulk Hypo Storage	21-Mar-24		Sweep, clean fittings, vacuum, scrub, and rinse bulk hypo storage room.
Hypo Feed Room	21-Mar-24		Clean fittings, sweep, vacuum, and wash floor.
South Foyer	21-Mar-24		Vacuum, mop, and clean windows.
Hypo Sump Pits	21-Mar-24		Rinse and empty both sump pits.
Sample Trough	22-Mar-24		Snug fittings and insulate East sample faucet.
Remove Snow	22-Mar-24		Shovel applicable plant locations.
Greased LL motors and pumps	22-Mar-24		Greased low lift motors and pumps
Greased HL motors and pumps	22-Mar-24		Greased High Lift motors and pumps
LL gas engine maintenance	22-Mar-24		Maintenance checks and Oil levels on low lift gas engine #7
HL gas engine maintenance	22-Mar-24		Maintenance checks and engine oil levels on gas engines #3 & #4
Maintenance #10 Gas engine	22-Mar-24		Maintenance checks and engine oil levels on #10 plant emergency generator
Wash Pump 1	22-Mar-24		Greased pump
Wash Pump 2	22-Mar-24		Greased applicable locations.
Dan and Josh covering Lab	25-Mar-24	28-Mar-24	Dan and Josh covering Lab operations and sampling
Carbon Feed Room	25-Mar-24		Begin cleaning/organizing carbon feed room.
Georgia Ave.	25-Mar-24		Replace reagents, snug SWAN sample line, and store backup reagents.
Old Rapid Mix and Poly Feed Area	25-Mar-24		Sweep, scrub, and rinse floor.
Old Rapid Mix Piping	25-Mar-24		Sweep, scrub, and rinse piping.
Sodium Thio	25-Mar-24		Change sodium thio barrel.
Eaton Electrical Training 08:00	26-Mar-24		Attend Eaton electrical equipment training in the raw water pump station.
Carbon Room	26-Mar-24		Organize items and discard undesirables.
Filter Landings	26-Mar-24		Vacuum and mop landings between filter 2+3 and 5+6.
Paint Filter Landings	26-Mar-24		Paint landings between filter 2+3 and 5+6.
EE Tower	26-Mar-24		Reset radio communications.
East Basin Entry	27-Mar-24		Clean East basin entry hall; above old rapid mix.
Laboratory Vials	27-Mar-24		Clean fluoride and NTU sample vials with acid.
Accounting UPS	27-Mar-24		Diagnose and repair accounting computer UPS.
H.L. Lights	27-Mar-24		Replace/install 6 LED bulbs in high lift.
Best Buy	27-Mar-24		Purchase new HDMI splitter for operations.
Security Monitors	27-Mar-24		Install new HDMI switch and cables.
Wash Tank	28-Mar-24		Install new stainless steel screen on wash tank outfall.
Filter Backwash Actuator 20"	28-Mar-24		Install new fuses in the 20" filter backwash actuator.
Good Friday Holiday	29-Mar-24		Good Friday Holiday
Utility observed good Friday	29-Mar-24		Utility observed good Friday



MONTHLY DISTRIBUTION DEPARTMENT REPORT

March 2024

Distribution System Maintenance:

- Started Service hole repair in the intersection of Bluff Ave and N 4th Street.
- Inspected hydrants ahead of annual painting.
- Turned valves in the distribution system as part of annual maintenance.

Building/Grounds Maintenance:

- Worked on conference room and office updates.
- Aided Operations in the installing filter media.

Equipment Maintenance:

- Performed routine maintenance and repairs on construction equipment and vehicle fleet.

Engineering:

- Inspection for S 11th Street LSL Project.
- Monthly map and database updates.



Distribution System -- March 2024

Street Valves and Hydrant Valves Installed (including water main projects and others)

Location	Date Installed	Size ("), Jt	Installed By	Type
----------	----------------	--------------	--------------	------

Total Valves Installed = 0

Street Valves and Hydrant Valves Removed

Location	Installed	Abandoned	Type
----------	-----------	-----------	------

Total Valves Removed = 0

Street Valves and Hydrant Valves Abandoned

Location	Installed	Abandoned
----------	-----------	-----------

Total Valves Abandoned = 0

Street Valves and Hydrant Valves Maintained

Location	Maintained	Size	By
----------	------------	------	----

Total Valves Maintained = 0

Hydrants Installed (including water main projects and others)

Location	Installed	Tr Size	Valve	By
Kentucky Ave. at S. 11th St. (SE)	3/19/2024	6'6"	n	SWU

Total Hydrants Installed = 1

Hydrants Removed (including water main projects and others)

Location	Installed	Removed	Hyd Valve?
Kentucky Ave. at S. 11th St. (SE)	10/14/1994	3/19/2024	n

Total Hydrants Removed = 1

Hydrants Abandoned (including water main projects and others)

Location	Installed	Abandoned	Tr Size	Hyd Valve?
----------	-----------	-----------	---------	------------

Total Hydrants Abandoned = 0

Hydrants Maintained/Moved (including water main projects and others)

Location	Installed	Maintained
----------	-----------	------------

Total Hydrants Maintained/Moved = 0

Water Main Breaks

Location	Date	Size
----------	------	------

Number of Water Main Breaks= 0



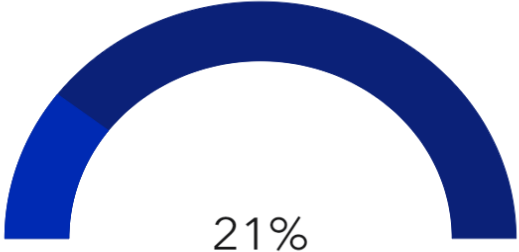
SUMMARY

Number of feet of 4 inch water main installed	0.0	water main
Number of feet of 6 inch hydrant lead installed	0.0	
Number of feet of 6 inch water main installed	0.0	
Number of feet of 8 inch water main installed	0.0	
Number of feet of 12 inch water main installed	0.0	
Number of feet of 16 inch water main installed	0.0	
Number of feet of 20 inch water main installed	0.0	
Number of feet of 24 inch water main installed	0.0	
Number of feet of water main abandoned or removed	0.0	
Number of water main breaks repaired	0	
Number of hydrants installed	1	hydrants
Number of hydrants removed or abandoned	1	
Number of hydrants maintained or moved	0	
Number of street valves installed	0	valves
Number of hydrant valves installed	0	
Number of street valves removed or abandoned	0	
Number of hydrant valves removed or abandoned	0	
Number of valves maintained	117	
Number of water connections installed	3	



Lead Service Line Dashboard (Board) ☰

2024 Replacements



Lead Service Lines
5,658
Total

2024 Replacements
20.8%
to Target Goal

Replaced Lead Service Lines
21
This Month

Target Replacements
250
2024



Reporting and insights from the 2023 audit: Sheboygan Water Utility

December 31, 2023

Executive summary

April 12, 2024

To the Board of Water Commissioners (the Commissioners)
Sheboygan Water Utility
72 Park Ave
Sheboygan, WI 53081

We have completed our audit of the financial statements of Sheboygan Water Utility (the Utility) for the year ended December 31, 2023 and have issued our report thereon dated April 12, 2024. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of the Utility's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

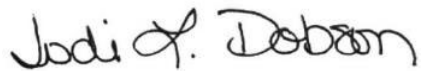
Additionally, we have included information on key risk areas the Utility should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with us:

- Jodi Dobson, Partner: Jodi.dobson@bakertilly.com or +1 (608) 240 2469
- Ryan O'Donnell, Senior Manager: Ryan.odonnell@bakertilly.com or +1 (608) 240 2606

Sincerely,

Baker Tilly US, LLP



Jodi Dobson, CPA Partner

Responsibilities

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the Utility's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the Commissioners:
 - Are free from material misstatement
 - Present fairly, in all material respects and in accordance with accounting principles generally accepted in the United States of America
- Our audit does not relieve management or the Commissioners of their responsibilities.

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the Commissioners, including:

- Internal control matters
- Qualitative aspects of the Utility's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant unusual transactions
- Significant difficulties encountered
- Disagreements with management
- Circumstances that affect the form and content of the auditors' report
- Audit consultations outside the engagement team
- Corrected and uncorrected misstatements
- Other audit findings or issues

Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the Utility and the environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards (if any)

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the Utility's current year results.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion
Improper revenue recognition due to fraud	Confirmation or validation of certain revenues supplemented with detailed predictive analytics based on non-financial data and substantive testing of related receivables	Procedures identified provided sufficient evidence for our audit opinion

Other areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk but were determined to require specific awareness and a unique audit response.

Other areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures
Grants Revenues		

Internal control matters

We considered the Utility's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing an opinion on the financial statements. We are not expressing an opinion on the effectiveness of the Utility's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We identified the following deficiencies as material weaknesses:

- **Financial statement close process**

Properly designed systems of internal control provide your organization with the ability to process and record accurate monthly and year-end transactions and annual financial reports.

Our audit includes a review and evaluation of the internal controls relating to financial reporting. Common attributes of a properly designed system of internal control for financial reporting are as follows:

- There is adequate staffing to prepare financial reports throughout the year and at year-end.
- Material misstatements are identified and corrected during the normal course of duties.
- Complete and accurate financial statements, including footnotes, are prepared.
- Financial reports are independently reviewed for completeness and accuracy.

Our evaluation of the internal controls over financial reporting has identified control deficiencies that are considered material weakness surrounding the adjusting journal entries identified by the auditors and a restatement of the prior year financial statements. Material misstatements in the general ledger were identified during the financial audit. In addition, the 2022 financial statements were required to be restated to correct the amount of revenue recognized in relation to ARPA funds provided by the City of Sheboygan.

Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Utility are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing accounting policies was not changed during 2023. We noted no transactions entered into by the Utility during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.
- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Accrued compensated absences	Evaluation of hours earned and accumulated in accordance with employment policies and average wage per hour rates	Reasonable in relation to the financial statements as a whole
Net pension liability/(asset) and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Net OPEB liability and related deferrals related to life insurance	Key assumptions set by Wisconsin Life Insurance plant.	Reasonable in relation to the financial statements as a whole
Total OPEB Liability and related deferrals related to health insurance	Key assumptions set by management with the assistance of third party actuary	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole

There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the Utility or that otherwise appear to be unusual due to their timing, size or nature.

Significant difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Audit report

There have been no departures from the auditors' standard report.

Audit consultations outside the engagement team

We encountered no difficult or contentious matters for which we consulted outside of the engagement team.

Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial and to communicate accumulated misstatements to management. Management is in agreement with the misstatements we have identified, and they have been corrected in the financial statements. The schedule within the attachments summarizes the material corrected misstatements that, in our judgment, may not have been detected except through our auditing procedures. The internal control matters section of this report describes the effects on the financial reporting process indicated by the corrected misstatements, other than those that we consider to be of a lesser magnitude than significant deficiencies and material weaknesses.

Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Utility's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other information in documents containing audited basic financial statements

The Utility's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The Utility can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The attachments include copies of other material written communications, including a copy of the management representation letter.

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the Utility's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date of the financial statements, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the Utility that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the Utility's related parties.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Financial statement preparation
- Adjusting journal entries
- Utility rate consulting
- Civic Systems Software

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Audit committee resources

Visit our resource page for regulatory updates, trending challenges and opportunities in your industry and other timely updates.

Visit the resource page at <https://www.bakertilly.com/insights/audit-committee-resource-page>.

Management representation letter

April 12, 2024

Baker Tilly US, LLP 4807
Innovate Ln
PO Box 7398
Madison, Wisconsin 53707-7398 Dear

Baker Tilly US, LLP:

We are providing this letter in connection with your audit of the financial statements of the Sheboygan Water Utility as of December 31, 2023 and 2022 and for the years then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Sheboygan Water Utility and the respective changes in financial position and cash flows in conformity with accounting principles generally accepted in the United States of America (GAAP). We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 15, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. We have engaged you to advise us in fulfilling that responsibility.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, if any, are reasonable in accordance with U.S. GAAP.
- 6) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed. No other events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
- 7) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 8) All known audit and bookkeeping adjustments have been included in our financial statements, and we are in agreement with those adjustments.
- 9) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the appropriate accounts.
- 10) We are not aware of any known actual, possible, pending, or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States of America, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 11) Guarantees, whether written or oral, under which the Sheboygan Water Utility is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 12) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Board of Water Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) We have disclosed to you results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,

- b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others.
 - 16) We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
 - 17) We have disclosed to you the names of our related parties and all the related party relationships and transactions, including side agreements, of which we are aware.

Other

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous financial audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Sheboygan Water Utility has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.
- 21) We are responsible for compliance with federal, state, and local laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits, debt contracts, and IRS arbitrage regulations; and we have identified and disclosed to you all federal, state, and local laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 22) There are no:
 - a) Violations or possible violations of budget ordinances, federal, state, and local laws or regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, or for reporting on noncompliance, except those already disclosed in the financial statement, if any.
 - b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
 - c) Rates being charged to customers other than the rates as authorized by the applicable authoritative body.
 - d) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding.

23) In regards to the nonattest services performed by you listed below, we acknowledge our responsibility related to these nonattest services and have 1) accepted all management responsibility; 2) designated an individual with suitable skill, knowledge, or experience to oversee the services; 3) evaluated the adequacy and results of the services performed, and 4) accepted responsibility for the results of the services.

- a) Financial statement preparation
- b) Adjusting journal entries
- c) Civic Systems software
- d) Utility rate consulting

None of these nonattest services constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

- 24) Sheboygan Water Utility has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) Sheboygan Water Utility has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 26) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 27) Provisions for uncollectible receivables, if any, have been properly identified and recorded.
- 28) Deposits and investments are properly classified, valued, and disclosed (including risk disclosures, collateralization agreements, valuation methods, and key inputs, as applicable).
- 29) Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
- 30) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated/amortized. Any known impairments have been recorded and disclosed.
- 31) Tax-exempt bonds issued have retained their tax-exempt status.
- 32) We have appropriately disclosed Sheboygan Water Utility's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy.
- 33) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- 34) We assume responsibility for, and agree with, the findings of specialists in evaluating the benefits costs relating to future retiree health insurance benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists.
- 35) We assume responsibility for, and agree with, the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.
- 36) The auditing standards define an annual report as “a document, or combination of documents, typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation, or custom, the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the financial results and financial position as set out in the financial statements.” Among other items, an annual report contains, accompanies, or incorporates by reference the financial statements and the auditors' report thereon. We confirm that we do not prepare and have no plans to prepare an annual report.
- 37) We agree with the restatement presented in the current year's financial statements.
- 38) Any direct borrowings, direct placements, lines of credit or debt default clauses have been identified and properly disclosed
- 39) We have assessed the impact of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and have determined the impact to be immaterial.
- 40) There have been no changes to our assessment or applicability with regard to all previously effective GASB Statements that were deemed immaterial or did not impact the Sheboygan Water Utility at the time the statements went into effect.

Sincerely,

Sheboygan Water Utility

Signed: Joe Trueblood
Joe Trueblood, PE, Superintendent

Signed: Lisa Gottsacker
Lisa Gottsacker, CPA, Senior Accountant

Client service team



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Accounting changes relevant to Sheboygan Water Utility

Future accounting standards update

GASB statement number	Description	Potentially impacts you	Effective date
100	Accounting Changes and Error Corrections		12/31/24
101	Compensated Absences	✓	12/31/24
102	Certain Risk Disclosures	✓	12/31/25

Further information on upcoming [GASB pronouncements](#).

Revised guidance for accounting changes and error corrections

GASB Statement No. 100, *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*, seeks to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and assessing accountability.

The standard establishes the following categories:

1. Accounting changes, which is comprised of:
 - a. Changes in accounting principles – result from a change from one generally accepted accounting principle to another that is justified on the basis that the newly adopted principle is preferable to the previously applied principle, or the implementation of a new pronouncement.
 - b. Changes in accounting estimates – occur when inputs change due to a change in circumstances, new information, or more experience. Note that the focus is on changes to the inputs used; a change in the value of an input such as an annual inflation update does not require disclosure under this standard.
 - c. Changes to or within the financial reporting entity – result from the addition or removal of a fund that results from the movement of continuing operations (such as moving sanitation operation from the general fund to its own separate fund), a change in a fund's presentation as major or nonmajor, the addition or removal of a component unit (with certain exceptions), or a change in a component unit's presentation as blended or discretely presented.
2. Error corrections – result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time of the financial statements were issued (i.e., facts that could reasonably be expected to have been obtained and considered at that time).

A summary of the reporting impact of each category is as follows:

Reporting considerations	Accounting changes			
	Change in accounting principle	Change in estimate	Change to the financial reporting entity	Correction of an error
Basic financial statement schedules:	Restate earliest period presented	Report prospectively	Adjust current year beginning balances	Restate earliest period presented
Required supplementary information & supplementary information:	Should match the financial statement presentation noted above; no adjustments to earlier periods needed			Restate all periods impacted
Additional disclosures?	Yes	Yes	Yes	Yes

The Utility should become familiar with the new guidance in advance of the implementation effective date.

Updated accounting and reporting for compensated absences

The Governmental Accounting Standards Board (GASB) issued its Statement No. 101, *Compensated Absences*, in June 2022. The objective of GASB 101 is to update the recognition and measurement guidance for compensated absences for state & local government employers. It supersedes GASB No. 16, *Accounting for Compensated Absences*, issued in 1992, as well as earlier guidance, and addresses changes resulting from the types of leave now being offered. GASB 101 is effective for fiscal years beginning after December 15, 2023 (i.e., December 31, 2024, and June 30, 2025 year-end reporting entities).

GASB 101 more appropriately reflects a liability *when* a government incurs an obligation for compensated absences, and will improve comparability of reporting between governments that offer different types of leave. It requires that liabilities be recognized for (1) leave that has not been used, and (2) leave that has been used but not yet paid in cash or settled-up via non-cash means. Compensated absences is defined as leave for which employees may receive one or more of the following:

- Cash payments when the leave is used for time off;
- Other cash payments, such as payment for unused leave upon termination of employment, or;
- Noncash settlements, such as conversion to defined benefit postemployment benefits.

Examples of compensated absences provided in GASB 101 include vacation, sick leave, paid time off (PTO), holidays, parental leave, bereavement leave, and certain types of sabbatical leave. Payment or settlement of compensated absences could occur during employment, or upon termination of employment. GASB 101 does not apply to benefits that are within the scope of GASB 47, *Accounting for Termination Benefits*.

GASB 101 requires that a liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered;
- The leave accumulates, and;
- The leave is “more likely than not” (i.e., likelihood of more than 50%) to be used for time off or otherwise paid in cash or settled through noncash means (101 provides factors to assess this criteria). (This differs from GASB 16, which required payment to be “probable” to be recognized).

Under GASB 101, governments will now need to accrue for time that has accumulated and is likely to be used, even if the employee is not eligible for a payout upon termination. This was not a requirement under GASB 16, and thus may result in a higher compensated absence liability.

GASB 101 requires liabilities for compensated absences to be recognized in financial statements prepared using the economic resources measurement focus equal to the amount of leave that has not yet been used and leave that has been used but not yet paid or settled. GASB 101 did not change the report for financial statements prepared using the current financial resources measurement focus (i.e., governmental funds).

Other changes in financial statement disclosures include the change in compensated absences liability can now be disclosed as a net change, rather than gross increases/decreases in the liability. Also, governments are no longer required to disclose which fund has typically liquidated the liability.

We recommend that governments begin to review the guidance contained in GASB 101 within the context of your existing compensated absences policies and accounting practices, in order to be better informed in terms of the information that you will need for this implementation.

Two-way audit communications

As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

- a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.
- b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:
 - Identify types of potential misstatements.
 - Consider factors that affect the risks of material misstatement.
 - Design tests of controls, when applicable, and substantive procedures.
- c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations and provisions of contracts or grant programs.
- d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

- a. We typically will communicate with your top level of management unless you tell us otherwise.
- b. We understand that the governing board has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.
- c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.
- d. We anticipate that the Utility will receive an unmodified opinion on its financial statements.
- e. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?
- f. Have you had any significant communications with regulators or grantor agencies?
- g. Are there other matters that you believe are relevant to the audit of the financial statements?

Also, is there anything that we need to know about the attitudes, awareness and actions of the governing body concerning:

- a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?
- b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of November-December, and sometimes early in January. Our final financial fieldwork is scheduled during February to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means or wish to provide other feedback. We welcome the opportunity to hear from you.

Sheboygan Water Utility

An Enterprise Fund of the City of Sheboygan, Wisconsin

Financial Statements and
Supplementary Information

December 31, 2023 and 2022

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Independent Auditors' Report

To the Utility Commission of
Sheboygan Water Utility

Opinion

We have audited the financial statements of the Sheboygan Water Utility (Utility), an enterprise fund of the City of Sheboygan, Wisconsin, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position for the Utility and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Utility and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Utility are intended to present the financial position and the changes in the financial position of only the Utility. They do not purport to, and do not, present fairly the financial position of the City of Sheboygan, Wisconsin, as of December 31, 2023, and 2022, and the changes in financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, net position as of December 31, 2022 has been restated to correct a material misstatement regarding the recognition of grant revenue. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Baker Tilly US, LLP

Madison, Wisconsin
April 12, 2024

The purpose of this section is to provide users with an objective, easy to read overview of the financial activities of the Sheboygan Water Utility (the Utility) for the years ended December 31, 2023 and 2022. This section should be read in conjunction with the financial statements and the accompanying notes that follow.

Financial Highlights

- The Utility's operating income decreased from \$4,036,906 in 2022 to \$2,059,441 in 2023.
- The Utility's total cash position decreased from \$15,192,926 in 2022 to \$7,144,206 in 2023.
- The Utility's unrestricted cash and investment position decreased from \$8,779,611 in 2022 to \$7,406,135 in 2023.
- The Utility's total net position increased by \$5,993,109 in 2023 to \$63,330,302 from \$57,337,193 in 2022.
- The Utility's total assets increased by \$24,144,560 in 2023 to \$103,264,497 from \$79,119,937 in 2022.
- Total liabilities increased \$19,642,944 to \$41,048,692 in 2023 from \$21,405,748 in 2022.

Financial Statements

The financial statements report information of the Utility using accounting methods similar to those used by private sector companies. The statements offer both short and long term information regarding the activities of the Utility. The Statements of Net Position include the Utility's assets (investments), deferred outflows of resources, liabilities (obligations to creditors) and deferred inflow of resources. These statements provide information to assess the liquidity and financial flexibility of the Utility.

The Statements of Revenues, Expenses and Changes in Net Position will measure the success of the Utility's operations for the past year. All of the current year's revenues and expenses are included in this statement and will show if the Utility has recovered all of its costs through user fees.

Cash receipts, cash payments, net changes in cash resulting from investing and financing activities are shown in the Statements of Cash Flows. This will also answer questions regarding where the cash came from, what was the cash used for, and what was the change in cash balance.

Financial Analysis of the Utility

The Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position will assist in answering the question of how the past year's activities have affected the financial position of the Utility. The Statements of Net Position will show the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Over a period of time this can assist in determining if the financial position is improving or deteriorating.

Unaudited Management's Discussion and Analysis
As of and for the Years Ended December 31, 2023 and 2022

2023

The Statement of Net Position showed that total net position increased \$5,993,109, an increase of 10.5%. Total assets increased \$24,144,560 or 30.5%. The increase is due to the construction of the Raw Water Improvement Project, while the net pension asset decreased. Net capital assets increased by \$30,629,922 to \$91,006,076 in 2023, also due to construction of the Raw Water Improvement Project. Capital additions were financed using Wisconsin Department of Natural Resources Safe Drinking Water Loan, EPA Community Grant funds, and American Rescue Plan Act grant funds. Restricted net position decreased by \$944,870 in 2023 to \$418,497 due to the decrease in net pension asset.

2022

The Statement of Net Position showed that total net position (restated) increased \$8,819,240, an increase of 18.2%. Total assets increased \$14,920,149 or 23%. The increase is due to receipt of American Rescue Plan Act grant funds designated to the Raw Water Improvement Project, and an increase in pension and other post-employment benefit assets. Net capital assets increased by \$8,120,721 to \$60,376,154 in 2022 due to construction of the Raw Water Improvement Project. Capital additions were financed using Wisconsin Department of Natural Resources Safe Drinking Water Loan and American Rescue Plan Act grant funds. Restricted net position increased by \$99,413 in 2022 to \$1,363,367 due to the increase in net pension asset.

STATEMENTS OF NET POSITION
As of December 31, 2023, 2022 and 2021

	<u>2023</u>	<u>2022</u> (Restated)	<u>2021</u>
Unrestricted current and other assets	\$ 11,101,620	\$ 16,554,586	\$ 9,385,116
Restricted assets	1,156,801	2,189,197	2,559,239
Capital assets	<u>91,006,076</u>	<u>60,376,154</u>	<u>52,255,433</u>
Total Assets	<u>103,264,497</u>	<u>79,119,937</u>	<u>64,199,788</u>
Deferred outflows related to pensions	<u>2,648,031</u>	<u>2,025,204</u>	<u>1,402,233</u>
Current liabilities payable			
from unrestricted assets	5,516,147	4,420,191	1,574,647
Liabilities payable from restricted assets	1,670,398	1,272,147	1,114,462
Non-current liabilities	<u>33,862,147</u>	<u>15,713,410</u>	<u>12,642,404</u>
Total Liabilities	<u>41,048,692</u>	<u>21,405,748</u>	<u>15,331,513</u>
Deferred inflows related to pensions	<u>1,533,534</u>	<u>2,402,200</u>	<u>1,752,555</u>
Net investment in capital assets	58,036,857	48,464,112	40,823,686
Restricted net position	418,497	1,363,367	1,263,954
Unrestricted net position	<u>4,874,948</u>	<u>7,509,714</u>	<u>6,430,313</u>
Total Net Position	<u>\$ 63,330,302</u>	<u>\$ 57,337,193</u>	<u>\$ 48,517,953</u>

Unaudited Management's Discussion and Analysis
 As of and for the Years Ended December 31, 2023 and 2022

The following Statements of Revenues, Expenditures and Changes in Net Position helps to further explain the nature of the increase in net position during 2023, 2022 and 2021.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 For the Year Ended December 31, 2023, 2022 and 2021

	2023	2022 (Restated)	2021
Operating revenues	\$ 10,423,636	\$ 10,461,269	\$ 9,702,393
Non-operating revenues	5,410,473	6,504,543	251,739
Total Revenues	15,834,109	16,965,812	9,954,132
Operating & maintenance expenses	8,364,195	6,424,363	6,603,351
Non-operating expenses	479,014	692,906	498,237
Total Expenses	8,843,209	7,117,269	7,101,588
Income before contributions and transfers	6,990,900	9,848,543	2,852,544
Interfund transfers (tax equivalent)	(997,791)	(1,029,303)	(1,164,036)
Change in Net Position	5,993,109	8,819,240	1,688,508
Beginning Net Position	57,337,193	48,517,953	46,829,445
Ending Total Net Position	\$ 63,330,302	\$ 57,337,193	\$ 48,517,953

2023

The Statement of Revenues, Expenses and Changes in Net Position shows operating revenues have decreased slightly by \$37,633 from \$10,461,269 in 2022, to \$10,423,636 in 2023. The decrease is due to a decrease in water usage and sales for the year. Operating and maintenance expenses increased significantly in 2023 by \$1,939,832, or 30%, due to an increase in nearly all operating costs, with the most significant being chemicals, electricity, filter rehabilitation projects in the treatment plant, and pension expense. Non-operating revenues decreased in 2023 by \$1,094,070 due to a decrease in grant revenue provided by the WDNR to fund lead service lateral replacement, and a decrease in earned revenue from the ARPA grant funds from 2022. Non-operating expenses decreased \$213,892, due to a decrease in costs related to the Lead Water Service Lateral Replacement Program and bond interest expense.

2022

The Statement of Revenues, Expenses and Changes in Net Position shows operating revenues have increased \$758,876 from \$9,702,393 in 2021, to \$10,461,269 in 2022. The increase is due to a rate increase that became effective on February 1, 2022. Operating and maintenance expenses decreased in 2022 by \$178,988, due to a decrease in medical claims and the completion of the Georgia Avenue standpipe painting project in early 2021. Non-operating revenues increased in 2022 by \$6,252,804 (restated) due to an increase in grant revenue provided by ARPA funds restricted to the Raw Water Improvement Project. Non-operating expenses increased \$194,669, due to an increase in costs related to the Lead Water Service Lateral Replacement Program, and an increase in revenue bond interest expense.

Capital Assets and Debt Administration**Capital Assets** (see Note 4.)

At the end of 2023 the water Utility had \$77.90 million in invested property, plant and equipment in service, an increase of \$1,378,993 over 2022. The Utility completed a rehabilitation project in the upper garage at Park Avenue, purchased two Utility vehicles, replaced aging computer equipment, purchased meters and remote reading equipment, and continued development of vacant Utility land. Water main replacement projects continued in 2023. The Utility installed 30' of 6" water main at various locations; 302' of 8" water main at various locations; 2,060' of 12" water main at various locations; and 966' of 16" water main at various locations. The largest water main projects in 2023 were located at Indiana Avenue at S. 19th through S. 24th Streets, and Gateway Drive at Behrens Parkway. In addition, 16 hydrants were installed at these and other various locations in the City.

At the end of 2022 the water Utility had \$76.52 million in invested property, plant and equipment in service, an increase of \$1,882,078 over 2021. The Utility completed SCADA software and computer upgrades in the treatment plant at Park Avenue, replaced a high lift turbine, added heating units in the plant, added phosphate level sensors to the bulk tank system, and rehabilitation of filter #5 in the plant. Water main replacement projects continued in 2022. The Utility installed 40' of 6" water main at various locations; 445' of 8" water main at various locations; and 2,388' of 12" water main at various locations. The largest water main projects in 2022 were located at St. Clair Avenue and Indiana Avenue. In addition, 12 hydrants were installed at these and other various locations in the City.

Debt (see Note 5.)

On December 31, 2023, the Sheboygan Water Utility had outstanding revenue bonds of \$33,448,209. This includes a \$3 million revenue bond issued on May 1, 2013 with a 2.0% interest rate, and a balance of \$1,730,000 to be retired 2033; on May 1, 2015, a Safe Drinking Water Loan was issued with a balance of \$1,951,839 and interest rate of 1.65%, to be retired 2035; on April 20, 2016, refunding revenue bonds were issued with an interest rate of 2% and balance of \$450,000, to be retired 2025; and on March 1, 2018, refunding revenue bonds were issued with an interest rate of 4% and balance of \$3,105,000, to be retired 2033. These bond proceeds funded the construction of the two reservoirs at Erie Avenue and I-43, and the booster pump station completed in 2008. The 2013 revenue bond funded a backwash storage reservoir at Park Avenue, and funded various projects into 2015. The Safe Drinking Water Loan issued on May 1, 2015 funded a UV disinfection system at the treatment plant. The revenue bond issued on April 20, 2016 refunded the 2005 revenue bond issue. The revenue bond issued on March 1, 2018 refunded the 2007 revenue bond issue and funded the construction of an elevated storage tank at Horizon Drive. On June 22, 2022, the Utility closed a Safe Drinking Water Loan in the amount of \$39,430,018, at 2.145% interest, for the construction of the Raw Water Improvement Project. The current balance of disbursements as of December 31, 2023 is \$26,211,370. Principal and interest payments on this DNR SDWL will begin May 1, 2024. On May 1, 2023, the Utility retired a 2004 DNR Safe Drinking Water Loan issued March 10, 2004, with a 2.75% interest rate and original balance of \$3,088,960. The remaining balance on the \$302,003 debt for the Unfunded Retirement Obligation is \$94,450.

**Unaudited Management's Discussion and Analysis
As of and for the Years Ended December 31, 2023 and 2022**

On December 31, 2022, the Sheboygan Water Utility had outstanding revenue bonds of \$12,390,119. This includes 2004 revenue bonds issued for a Safe Drinking Water Loan, balance of \$209,630, to be retired in 2023; on May 1, 2013, a \$3 million revenue bond was issued with a 3.5% interest rate, and a balance of \$1,875,000 to be retired on 2033; on May 1, 2015, a Safe Drinking Water Loan was issued with a balance of \$2,097,845 and interest rate of 1.65%, to be retired 2035; on April 20, 2016, refunding revenue bonds were issued with an interest rate of 2% and balance of \$690,000, to be retired 2025; and on March 1, 2018, refunding revenue bonds were issued with an interest rate of 3.5% and balance of \$3,455,000, to be retired 2033. These bond proceeds funded the construction of the two reservoirs at Erie Avenue and I-43, and the booster pump station completed in 2008. The 2013 revenue bond funded a backwash storage reservoir at Park Avenue, and funded various projects into 2015. The Safe Drinking Water Loan issued on May 1, 2015 funded a UV disinfection system at the treatment plant. The revenue bond issued on April 20, 2016 refunded the 2005 revenue bond issue. The revenue bond issued on March 1, 2018 refunded the 2007 revenue bond issue and funded the construction of an elevated storage tank at Horizon Drive. On June 22, 2022, the Utility closed a Safe Drinking Water Loan in the amount of \$39,430,018, at 2.145% interest, for the construction of the Raw Water Improvement Project. The current balance of disbursements as of December 31, 2022 is \$4,062,644. On June 24, 2022, the Utility retired a \$3,100,000 Bond Anticipation Note (BAN) dated May 18, 2020 at 1.25% interest, used for interim financing of engineering and design costs for the Raw Water Improvement Project. The remaining balance on the \$302,000 debt for the Unfunded Retirement Obligation is \$114,823.

Economic Factors and Next Year's Budgets and Rates

An application for a two phase rate increase was submitted to the Public Service Commission of Wisconsin on August 2, 2023 to provide for a phase 1 rate of return of 3.8% in 2024, and total rate of return at phase 2 of 6% in 2025. Since the last rate increase, operating revenues have decreased, while the Utility has experienced significant increasing operating costs and has continued to invest in system replacements and improvements, including the historic Raw Water Improvement Project, replacing one of the original intake pipes in Lake Michigan.

In October 2023, the Utility received an EPA Community Grant from a 2022 congressionally directed spending appropriation in the amount of \$2,000,000 designated to the Raw Water Improvement Project.

Sheboygan Water Utility submitted an application to the WDNR Safe Drinking Water Loan Program on June 21, 2023, to provide \$1,646,375 in grants and loans to property owners for lead service line replacement in the City of Sheboygan. These funds will be used for replacement of lead service lines for projects completed in 2023 and 2024. Closing of the SDWLP Financial Assistance Agreement is scheduled for June 2024. Lead service line replacement projects completed in 2023 were located at N. 15th and 16th Streets, N. 20th Street, and Michigan Avenue at N. 12th Street. LSL projects scheduled in 2024 are located at S. 11th Street, Lincoln Avenue, Swift Avenue, and Dillingham Avenue.

Sheboygan Water Utility had a total capital improvement budget of \$14,636,000 in 2024. Large projects include remaining construction of the Raw Water Improvement Project with substantial completion scheduled in June 2024; \$450,000 for filter bed rehabilitation; \$50,000 for water treatment equipment replacement; \$762,000 for water main and hydrant replacement; \$332,000 for meter and radio read unit replacement; \$192,000 for computer and IT software; and \$380,000 for vehicles and heavy equipment.

CONTACTING THE UTILITY FINANCIAL MANAGEMENT

This financial report is designed to provide a general easy to read overview of the finances of the Sheboygan Water Utility and to provide an overview of plans for the future. If you have any questions about this report or would like to obtain additional information, please feel free to contact the Board of Water Commissioners at 72 Park Avenue Sheboygan, WI 53081-2958 or telephone (920) 459-3800, Opt. 2.

Sheboygan Water Utility

Item 5.

Statements of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> (Restated)
Assets and Deferred Outflows of Resources		
Current Assets		
Cash and investments	\$ 7,406,135	\$ 8,779,611
Restricted assets:		
Redemption account	544,441	551,990
Customer accounts receivable	1,604,094	1,653,110
Other accounts receivable	773,159	188,913
Due from municipality	269,722	272,587
Materials and supplies	231,559	249,572
Prepayments	32,411	22,846
	<u>10,861,521</u>	<u>11,718,629</u>
Noncurrent Assets		
Restricted assets:		
Reserve account	612,360	644,320
Net pension asset	-	992,887
Other assets:		
LSL revolving loan account	344,831	188,064
Project account	288,897	5,028,941
Special assessments receivable	150,812	170,942
Capital assets:		
Plant in service	77,901,667	76,522,674
Accumulated depreciation	(29,557,299)	(27,827,390)
Construction work in progress	42,661,708	11,680,870
	<u>92,402,976</u>	<u>67,401,308</u>
Total noncurrent assets	<u>103,264,497</u>	<u>79,119,937</u>
Total assets	<u>203,526,018</u>	<u>188,638,566</u>
Deferred Outflows of Resources		
Deferred outflows related to pension	2,579,937	1,960,300
Deferred outflows related to other post employment benefits	68,094	64,904
	<u>2,648,031</u>	<u>2,025,204</u>
Total deferred outflows of resources	<u>2,648,031</u>	<u>2,025,204</u>

See notes to financial statements

Sheboygan Water Utility

Item 5.

Statements of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> (Restated)
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 4,202,356	\$ 3,099,904
Accrued wages	84,564	73,400
Accrued taxes due to municipality	1,032,425	1,061,884
Accrued interest	3,589	5,662
Accrued vacation leave	150,088	137,423
Current portion of accrued sick leave	21,546	21,546
Current portion of advance from Municipality	21,579	20,372
Current liabilities payable from restricted assets:		
Current portion of revenue bonds	1,544,454	1,090,637
Accrued interest	125,944	181,510
	<u>7,186,545</u>	<u>5,692,338</u>
Total current liabilities		
Noncurrent Liabilities		
Revenue bonds	31,903,755	11,299,482
Unamortized debt premium, net of discount	133,370	166,243
Advance from municipality	72,871	94,451
Accrued sick leave	645,924	589,849
Total other post employment benefits liability, health insurance	48,424	51,536
Net other post employment benefits liability, life insurance	103,389	138,739
Unearned revenues	270,987	3,373,110
Net pension liability	683,427	-
	<u>33,862,147</u>	<u>15,713,410</u>
Total noncurrent liabilities		
	<u>41,048,692</u>	<u>21,405,748</u>
Total liabilities		
Deferred Inflows of Resources		
Deferred inflows related to pension	1,436,187	2,363,025
Deferred inflows related to other postemployment benefits	97,347	39,175
	<u>1,533,534</u>	<u>2,402,200</u>
Total deferred inflows of resources		
Net Position		
Net investment in capital assets	58,036,857	48,464,112
Restricted for:		
Debt service	418,497	370,480
Pension	-	992,887
Unrestricted	4,874,948	7,509,714
	<u>63,330,302</u>	<u>57,337,193</u>
Total net position		

See notes to financial statements

Sheboygan Water Utility

Item 5.

Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> (Restated)
Operating Revenues		
Sales of water	\$ 10,196,668	\$ 10,231,007
Other	226,968	230,262
Total operating revenues	<u>10,423,636</u>	<u>10,461,269</u>
Operating Expenses		
Operation and maintenance	6,737,073	4,844,858
Depreciation	<u>1,627,122</u>	<u>1,579,505</u>
Total operating expenses	<u>8,364,195</u>	<u>6,424,363</u>
Operating Income	<u>2,059,441</u>	<u>4,036,906</u>
Nonoperating Revenues (Expenses)		
Investment income	124,121	52,032
Grant revenue	5,253,480	6,433,660
Grant expense	(151,358)	(253,642)
Interest expense	(327,656)	(435,450)
Amortization of debt premium, net of discount	32,872	18,851
Debt issuance costs	<u>-</u>	<u>(3,814)</u>
Total nonoperating revenues (expenses)	<u>4,931,459</u>	<u>5,811,637</u>
Income before transfers	6,990,900	9,848,543
Transfers, Tax Equivalent	<u>(997,791)</u>	<u>(1,029,303)</u>
Change in net position	5,993,109	8,819,240
Net Position, Beginning	<u>57,337,193</u>	<u>48,517,953</u>
Net Position, Ending	<u>\$ 63,330,302</u>	<u>\$ 57,337,193</u>

See notes to financial statements

Sheboygan Water Utility

Item 5.

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> (Restated)
Cash Flows From Operating Activities		
Received from customers	\$ 10,150,495	\$ 10,302,752
Paid to suppliers for goods and services	(5,018,330)	(2,336,355)
Paid to employees for operating payroll	(2,221,834)	(2,068,295)
	<u>2,910,331</u>	<u>5,898,102</u>
Cash Flows From Noncapital Financing Activities		
Paid to municipality for tax equivalent	(1,027,250)	(1,164,909)
Collections of assessments for customer owned laterals	20,130	63,357
Debt retired for pension liability	(20,373)	(19,219)
Interest paid for pension liability	(5,079)	(7,045)
Grant revenue received	151,357	256,770
Paid for expenses for grant-related projects	(151,358)	(253,642)
	<u>(1,032,573)</u>	<u>(1,124,688)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(30,676,015)	(7,743,561)
Grant revenue received	2,000,000	6,176,890
Advance receipt of grant funds	-	3,373,110
Debt retired	(1,090,636)	(4,162,656)
Interest paid	(380,216)	(298,617)
Proceeds from debt issue	22,148,726	4,062,643
Debt issuance costs	-	(3,814)
	<u>(7,998,141)</u>	<u>1,403,995</u>
Cash Flows From Investing Activities		
Investments purchased	(2,052,458)	-
Interest income	124,121	52,032
	<u>(1,928,337)</u>	<u>52,032</u>
Net cash flows from investing activities	<u>(1,928,337)</u>	<u>52,032</u>
Net change in cash and cash equivalents	(8,048,720)	6,229,441
Cash and Cash Equivalents, Beginning	<u>15,192,926</u>	<u>8,963,485</u>
Cash and Cash Equivalents, Ending	<u>\$ 7,144,206</u>	<u>\$ 15,192,926</u>
Noncash Capital and Related Financing Activities		
Amortization of debt premium, net of discount	<u>\$ 32,872</u>	<u>\$ 18,851</u>
Construction related accounts payable	<u>\$ 4,033,285</u>	<u>\$ 2,225,319</u>

See notes to financial statements

Sheboygan Water Utility

Item 5.

Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> (Restated)
Reconciliation of Operating Income to Net Cash Flows From Operating Activities		
Operating income	\$ 2,059,441	\$ 4,036,906
Noncash items in operating income:		
Depreciation	1,627,122	1,579,505
Depreciation charged to clearing and other utilities	226,937	244,864
Changes in assets and liabilities:		
Customer accounts receivable	49,016	(441,346)
Other accounts receivable	(584,246)	62,357
Due from municipality	2,865	(10,244)
Materials and supplies	18,013	(26,526)
Prepayments	(9,566)	5,539
Pension related deferrals and assets/liabilities	129,839	(244,369)
Accounts payable	(705,514)	758,349
Other liabilities	79,904	51,914
Other postemployment retirement benefit deferrals and liabilities	16,520	(118,847)
	<u>\$ 2,910,331</u>	<u>\$ 5,898,102</u>
Net cash flows from operating activities		
	<u>\$ 2,910,331</u>	<u>\$ 5,898,102</u>
Reconciliation of Cash and Cash Equivalents to Statements of Net Position Accounts		
Cash and investments	\$ 7,406,135	\$ 8,779,611
Redemption account	544,441	551,990
Reserve account	612,360	644,320
LSL revolving loan	344,831	188,064
Project account	288,897	5,028,941
	<u>9,196,664</u>	<u>15,192,926</u>
Total cash and investments		
	9,196,664	15,192,926
Less noncash equivalents	<u>(2,052,458)</u>	<u>-</u>
Cash and cash equivalents	<u>\$ 7,144,206</u>	<u>\$ 15,192,926</u>

See notes to financial statements

1. Summary of Significant Accounting Policies

The financial statements of Sheboygan Water Utility (the Utility) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by the Utility are described below.

Reporting Entity

The Utility is a separate enterprise fund of the City of Sheboygan (Municipality). The Utility is managed by the Board of Water Commissioners (the Board). The Utility provides water service to properties within the Municipality. The Utility also provides wholesale service to the City of Sheboygan Falls and Village of Kohler.

The Utility operates under service rules and rates established by the Public Service Commission of Wisconsin (PSCW). The accounting records of the Utility are maintained in accordance with Uniform System of Accounts prescribed by the PSCW.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Utility is presented as an enterprise fund of the Municipality. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred and net income is necessary for management accountability.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position**Deposits and Investments**

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

Investment of utility funds is restricted by state statutes. Investments are limited to:

- Time deposits in any credit union, bank, savings bank or trust company.
- Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, local professional baseball park district, local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.

The Utility has adopted an investment policy. That policy follows the state statute for allowable investments. The Utility, as part of the Municipality, is covered under an investment policy adopted by the City of Sheboygan. Please refer to the City of Sheboygan's financial statements for information regarding the adopted investment policy. This policy does not address custodial credit risk associated with the City of Sheboygan's or the Utility's deposits or investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

Receivables/Payables

Transactions between the Utility and other funds of the Municipality that are representative of lending/borrowing arrangements outstanding at year end are referred to as advances to/from other funds. All other outstanding balances between the Utility and other funds of the Municipality are reported as due to/from other funds.

The Utility has the right under Wisconsin statutes to place delinquent water bills on the tax roll for collection. As such, no allowance for uncollectible customer accounts is considered necessary.

Materials and Supplies

Materials and supplies are generally used for construction, operation and maintenance work, not for resale. They are valued at the lower of cost or market utilizing the average cost method and charged to construction or expense when used.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

LSL Revolving Loan

The Utility has elected to internally designate \$344,831 and \$188,064 in cash in 2023 and 2022, respectively, for the purpose of lending funds to customers to replace lead service laterals. These funds are not legally restricted and could be used for other purposes if the need arose. Use of the funds is at the Board's discretion.

Project Account

The Utility has elected to internally designate \$288,897 and \$5,028,941 cash in 2023 and 2022, respectively, for the purpose of construction of the raw water intake project. These funds are not legally restricted and could be used for other purposes if the need arose. Use of the funds is at the Board's discretion.

Special Assessments Receivable

This account represents the balances of special assessments levied against property owners for infrastructure improvements. The balances are receivable over various time periods with interest accrued annually.

Capital Assets

Capital assets are generally defined by the Utility as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

Capital assets of the Utility are recorded at cost or the estimated acquisition value at the time of contribution to the Utility. Major outlays for Utility plant are capitalized as projects are constructed. Capital assets in service are depreciated or amortized using the straight-line method over the following useful lives:

	Years
Water Plant:	
Source of supply	50
Pumping	28-42
Water treatment	30-40
Transmission and distribution	45-100
General	4-45

Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)**Health Insurance**

For purposes of measuring the total OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by Utility's OPEB Plan. For this purpose, the Utility's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Life Insurance

The fiduciary net position of the Local Retiree Life Insurance Fund (LRIF) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB Liability;
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB; and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRIF and additions to/deductions from LRIF's fiduciary net position have been determined on the same basis as they are reported by LRIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Accrued Vacation and Sick Leave

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Vested vacation and sick leave pay is accrued when earned in the financial statements. The liability is liquidated from general operating revenues of the Utility.

Unearned Revenues

Unearned revenues relates to the collection of grant funds that have yet to be spent as of December 31, 2023 and 2022.

Long-Term Obligations

Long-term debt and other obligations are reported as Utility liabilities. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Revenues and Expenses

The Utility distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Utility's principal ongoing operations. The principal operating revenues of the Utility are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Charges for Services

The majority of billings are rendered and recorded quarterly based on metered usage, with monthly billing rendered to high usage customers in the industrial, commercial, public authority and wholesale classes. The Utility does accrue revenues beyond billing dates. Unbilled revenue of \$374,029 and \$372,928 were accrued as of December 31, 2023 and 2022, respectively.

Current water rates were approved by the PSCW effective February 1, 2022.

Effect of New Accounting Standards on Current Period Financial Statements

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

- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections—an Amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*
- Statement No. 102, *Certain Risk Disclosures*

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

2. Deposits and Investments

	Carrying Value as of		Risks
	December 31,		
	2023	2022	
Deposit	\$ 6,116,456	\$ 15,192,176	Custodial Credit
Certificates of deposits	3,079,458	-	Custodial Credit
Petty cash	750	750	
Total	<u>\$ 9,196,664</u>	<u>\$ 15,192,926</u>	

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest bearing and noninterest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund (SDGF) in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities.

In addition, the Utility has collateral or depository insurance agreements in the amount of \$20,000,000 at December 31, 2023 and 2022.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Utility's deposits may not be returned to the Utility.

The Utility does not have any deposits exposed to custodial credit risk.

Investment Policy

No formal investment policy has been adopted by the Utility.

3. Restricted Assets

Restricted Accounts

Certain proceeds of the Utility's debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited. The following accounts are reported as restricted assets:

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Construction - Used to report debt proceeds restricted for use in construction.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Restricted Net Position

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

	<u>2023</u>	<u>2022</u>
Restricted assets:		
Redemption account	\$ 544,441	\$ 551,990
Reserve account	612,360	644,320
Net pension asset	<u>-</u>	<u>992,887</u>
Total restricted assets	<u>1,156,801</u>	<u>2,189,197</u>
Less restricted assets not funded by revenues:		
Reserve from borrowing	<u>(612,360)</u>	<u>(644,320)</u>
Current liabilities payable from restricted assets	<u>(125,944)</u>	<u>(181,510)</u>
Total restricted net position as calculated	<u>\$ 418,497</u>	<u>\$ 1,363,367</u>

The purpose of the restricted net position is as follows:

	<u>2023</u>	<u>2022</u>
Debt service	\$ 418,497	\$ 370,480
Pension	<u>-</u>	<u>992,887</u>
Total restricted net position	<u>\$ 418,497</u>	<u>\$ 1,363,367</u>

4. Changes in Capital Assets

A summary of changes in water capital assets for 2023 follows:

	<u>Balance 1/1/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/23</u>
Capital assets, not being depreciated:				
Land and land rights	\$ 375,238	\$ 20,456	\$ -	\$ 395,694
Capital assets being depreciated:				
Source of supply	627,615	-	-	627,615
Pumping	6,420,923	1,167	-	6,422,090
Water treatment	13,599,786	-	-	13,599,786
Transmission and distribution	52,604,769	1,400,806	49,660	53,955,915
General	<u>2,894,343</u>	<u>83,875</u>	<u>77,651</u>	<u>2,900,567</u>
Total capital assets being depreciated	<u>76,147,436</u>	<u>1,485,848</u>	<u>127,311</u>	<u>77,505,973</u>
Total capital assets	<u>76,522,674</u>	<u>1,506,304</u>	<u>127,311</u>	<u>77,901,667</u>
Less accumulated depreciation:				
Source of supply	(485,905)	(10,669)	-	(496,574)
Pumping	(4,008,022)	(220,414)	-	(4,228,436)
Water treatment	(6,676,572)	(491,339)	-	(7,167,911)
Transmission and distribution	(14,296,271)	(975,252)	49,660	(15,221,863)
General	<u>(2,360,620)</u>	<u>(159,545)</u>	<u>77,650</u>	<u>(2,442,515)</u>
Total accumulated depreciation	<u>(27,827,390)</u>	<u>(1,857,219)</u>	<u>127,310</u>	<u>(29,557,299)</u>
Construction in progress	<u>11,680,870</u>	<u>32,494,590</u>	<u>1,513,752</u>	<u>42,661,708</u>
Net capital assets	<u>\$ 60,376,154</u>			<u>\$ 91,006,076</u>

A summary of changes in water capital assets for 2022 follows:

	<u>Balance 1/1/22</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/22</u>
Capital assets, not being depreciated:				
Land and land rights	\$ 375,238	\$ -	\$ -	\$ 375,238
Capital assets being depreciated:				
Source of supply	627,615	-	-	627,615
Pumping	6,362,242	58,681	-	6,420,923
Water treatment	13,448,712	155,539	4,465	13,599,786
Transmission and distribution	50,907,184	1,856,346	158,761	52,604,769
General	2,919,605	34,528	59,790	2,894,343
Total capital assets being depreciated	<u>74,265,358</u>	<u>2,105,094</u>	<u>223,016</u>	<u>76,147,436</u>
Total capital assets	<u>74,640,596</u>	<u>2,105,094</u>	<u>223,016</u>	<u>76,522,674</u>
Less accumulated depreciation:				
Source of supply	(475,236)	(10,669)	-	(485,905)
Pumping	(3,787,551)	(220,471)	-	(4,008,022)
Water treatment	(6,192,189)	(488,848)	4,465	(6,676,572)
Transmission and distribution	(13,505,184)	(949,844)	158,757	(14,296,271)
General	(2,259,395)	(161,015)	59,790	(2,360,620)
Total accumulated depreciation	<u>(26,219,555)</u>	<u>(1,830,847)</u>	<u>223,012</u>	<u>(27,827,390)</u>
Construction in progress	3,834,392	9,850,892	2,004,414	11,680,870
Net capital assets	<u>\$ 52,255,433</u>			<u>\$ 60,376,154</u>

5. Long-Term Obligations

Revenue Debt - Water

The following bonds have been issued:

<u>Date</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding Amount 12/31/23</u>
03/10/04	Plant Expansion	05/01/23	2.75 %	\$ 3,152,000	\$ - *
04/03/13	Plant Expansion	05/01/33	2.00	3,000,000	1,730,000
05/13/15	UV Disinfecting Project	05/01/35	1.65	2,990,520	1,951,839
04/20/16	Revenue Refunding	04/20/25	2.00	2,115,000	450,000 *
05/01/18	Revenue Refunding	05/01/33	3.00	4,705,000	3,105,000
06/22/22	Raw Water Intake Project	05/01/52	2.15	26,211,370	26,211,370 (1)

* The debt noted is directly placed with a third party.

(1) - During 2022 the Utility was authorized to issue \$39,430,018 of Water System Safe Drinking Water Loan revenue bonds. The original amount reported above has been issued as of December 31, 2023. The repayment schedule is for the amount issued.

Revenue bonds debt service requirements to maturity follows:

Years Ending December 31:	Bonds		Direct Placement		Total
	Principal	Interest	Principal	Interest	
2024	\$ 735,000	\$ 163,234	\$ 809,454	\$ 573,352	\$ 2,281,040
2025	750,000	140,269	826,083	569,325	2,285,677
2026	555,000	118,163	843,055	552,176	2,068,394
2027	575,000	97,188	860,380	534,672	2,067,240
2028	415,000	78,956	878,063	516,805	1,888,824
2029-2033	2,255,000	184,969	4,668,671	2,302,786	9,411,426
2034-2038	-	-	4,618,270	1,810,678	6,428,948
2039-2043	-	-	4,743,333	1,322,159	6,065,492
2044-2048	-	-	5,274,353	785,444	6,059,797
2049-2052	-	-	4,641,547	201,763	4,843,310
Total	\$ 5,285,000	\$ 782,779	\$ 28,163,209	\$ 9,169,160	\$ 43,400,148

All Utility revenues net of specified operating expenses are pledged as security of the above revenue bonds until the bonds are defeased. Principal and interest paid for 2023 and 2022 were \$1,496,304 and \$4,487,537, respectively. Total customer net revenues as defined for the same periods were \$3,810,684 and \$5,668,443. Annual principal and interest payments are expected to require 39% of net revenues on average.

Advances From Other Funds of the Municipality

Other funds of the Municipality have advanced the following to the Utility:

Date	Purpose	Final Maturity	Interest Rate	Original Amount	Outstanding Amount 12/31/23
1/30/08	Unfunded retirement obligation	03/15/27	2 %	\$ 302,304	\$ 94,450

Advances from other funds of the Municipality debt service requirements to maturity follows:

Years Ending December 31:	Principal	Interest	Total
2024	\$ 21,579	\$ 4,534	\$ 26,113
2025	22,890	3,644	26,534
2026	24,263	2,564	26,827
2027	25,718	1,350	27,068
Total	\$ 94,450	\$ 12,092	\$ 106,542

Long-Term Obligations Summary - Water

Long-term obligation activity for the year ended December 31, 2023 is as follows:

	<u>1/1/23</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/23</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Revenue bonds	\$ 12,390,119	\$ 22,148,726	\$ 1,090,636	\$ 33,448,209	\$ 1,544,454
Advance from Municipality	114,823	-	20,373	94,450	21,579
Accrued sick leave	611,395	77,621	21,546	667,470	21,546
Unamortized premium, net of discount	166,243	-	32,873	133,370	-
Net pension liability	-	683,427	-	683,427	-
Total other post employment benefits liability, health insurance	51,536	-	3,112	48,424	-
Net other post employment benefits liability, life insurance	138,739	-	35,350	103,389	-
Unearned revenue	<u>3,373,110</u>	<u>-</u>	<u>3,102,123</u>	<u>270,987</u>	<u>-</u>
Total	<u>\$ 16,845,965</u>	<u>\$ 22,909,774</u>	<u>\$ 4,306,013</u>	<u>\$ 35,449,726</u>	<u>\$ 1,587,579</u>

Long-term obligation activity for the year ended December 31, 2022 is as follows:

	<u>1/1/22</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/22</u> <u>Balance</u> <u>(Restated)</u>	<u>Due Within</u> <u>One Year</u>
Revenue bonds	\$ 9,390,132	\$ 4,062,643	\$ 1,062,656	\$ 12,390,119	\$ 1,090,637
Advance from Municipality	134,042	-	19,219	114,823	20,372
Bond anticipation notes	3,100,000	-	3,100,000	-	-
Accrued sick leave	570,861	62,080	21,546	611,395	21,546
Unamortized premium, net of discount	185,094	-	18,851	166,243	-
Total other post employment benefits liability, health insurance	211,557	-	160,021	51,536	-
Net other post employment benefits liability, life insurance	145,483	-	6,744	138,739	-
Unearned revenue	<u>-</u>	<u>3,373,110</u>	<u>-</u>	<u>3,373,110</u>	<u>-</u>
Total	<u>\$ 13,737,169</u>	<u>\$ 7,497,833</u>	<u>\$ 4,389,037</u>	<u>\$ 16,845,965</u>	<u>\$ 1,132,555</u>

Bond Covenant Disclosures

The following information is provided in compliance with the resolution creating the water revenue bonds:

Insurance

The Utility is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

The Utility is covered under the following insurance policies at December 31, 2023:

<u>Type</u>	<u>Coverage</u>	<u>Expiration</u>
<i>Automotive Liability</i>		
General Liability	\$ 2,000,000	7/1/24
Automobile Liability	1,000,000	7/1/24
Contractors Equipment	648,162	7/1/24
<i>Crime, Theft/Forgery</i>		
Position Bond (Employee Dishonestly)	\$ 250,000	7/1/24
Forgery/Alteration	250,000	7/1/24
Extra Expense	250,000	7/1/24
Employee Benefits	2,000,000	7/1/24
Public Officials Liability	1,000,000	7/1/24
Theft of Money and Securities	25,000	7/1/24
<i>Property</i>		
Buildings	\$ 64,335,500	7/1/24
Flood	10,000,000	7/1/24
Earthquake	10,000,000	7/1/24

Debt Coverage

Under terms of the resolutions providing for the issue of revenue bonds, revenues less operating expenses excluding depreciation (defined net earnings) must exceed 1.2 times the annual debt service. The coverage only includes revenue debt and does not include general obligation or other debt. The coverage requirement was met in 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Operating revenues	\$ 10,423,636	\$ 10,461,269
Investment income	124,121	52,032
Miscellaneous nonoperating income	151,358	256,770
Less miscellaneous nonoperating expense	(151,358)	(253,642)
Less operation and maintenance expenses	<u>(6,737,073)</u>	<u>(4,844,858)</u>
Net defined earnings	<u>\$ 3,810,684</u>	<u>\$ 5,671,571</u>
Minimum required earnings per resolution:		
Annual debt service, principal	\$ 1,090,636	\$ 1,062,656
Annual debt service, interest	<u>380,216</u>	<u>298,617</u>
Subtotal	1,470,852	1,361,273
Coverage factor	<u>1.20</u>	<u>1.20</u>
Minimum required earnings	<u>\$ 1,765,022</u>	<u>\$ 1,633,528</u>
Actual debt coverage	<u>2.59</u>	<u>4.17</u>

Number of Customers and Billed Volumes - Water

The Utility has the following number of customers and billed volumes for 2023 and 2022:

	<u>Customers</u>		<u>Sales (000 gals)</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Residential	17,113	17,082	732,239	728,735
Multifamily residential	294	295	128,555	126,646
Commercial	1,311	1,313	222,361	228,799
Industrial	150	150	2,398,494	2,397,230
Public authority	119	122	51,377	50,850
Interdepartmental	<u>2</u>	<u>2</u>	<u>574,244</u>	<u>629,694</u>
Total	<u>18,989</u>	<u>18,964</u>	<u>4,107,270</u>	<u>4,161,954</u>

6. Net Position

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This component of net position consists of net positions that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Utility's policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the water net investment in capital assets:

	2023	2022
Construction work in progress	\$ 42,661,708	\$ 11,680,870
Plant in service	77,901,667	76,522,674
Accumulated depreciation	(29,557,299)	(27,827,390)
Subtotal	91,006,076	60,376,154
Less capital related debt:		
Current portion of revenue bonds	1,566,034	1,090,637
Revenue Bonds	31,882,175	11,299,482
Unamortized Premium	133,370	166,243
	33,581,579	12,556,362
Add unspent debt proceeds:		
Reserve from borrowing	612,360	644,320
Total net investment in capital assets	\$ 58,036,857	\$ 48,464,112

7. Employees Retirement System**General Information About the Pension Plan****Plan Description**

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011 expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	(9.6)%	9.0%
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers and Executives and Elected Officials. Starting January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

The WRS recognized \$152,960 and \$143,275 in contributions from the Utility during the current and prior reporting periods, respectively.

Contribution rates for the plan year reported as of December 31, 2023 and December 31, 2022 are:

	<u>2023</u>		<u>2022</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including Executives and Elected Officials)	6.50 %	6.50 %	6.75 %	6.75 %
Protective with Social Security	6.50	12.00	6.75	11.75
Protective without Social Security	6.50	16.40	6.75	16.35

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

At December 31, 2023, the Utility reported a liability (asset) of \$683,427 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the Utility's proportion was .01290043840%, which was an increase of .00058202399% from its proportion measured as of December 31, 2021.

At December 31, 2022, the Utility reported a liability (asset) of \$(992,887) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net pension liability (asset) was based on the Utility's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the Utility's proportion was .012318414%, which was a decrease of .00001127% from its proportion measured as of December 31, 2020.

For the years ended December 31, 2023 and 2022, the Utility recognized pension expense (revenue) of \$129,839 and \$(244,369), respectively.

At December 31, 2023, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual experience	\$ 1,034,687	\$ (1,435,434)
Changes in assumption	127,246	-
Net differences between project and actual earnings on pension plan	1,242,303	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	826	(753)
Employer contributions subsequent to the measurement date	<u>174,875</u>	<u>-</u>
Total	<u>\$ 2,579,937</u>	<u>\$ (1,436,187)</u>

At December 31, 2022, the Utility reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,619,569	\$ (126,072)
Changes in assumption	186,111	-
Net differences between project and actual earnings on pension plan	-	(2,235,975)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,660	(978)
Employer contributions subsequent to the measurement date	<u>152,960</u>	<u>-</u>
Total	<u>\$ 1,960,300</u>	<u>\$ (2,363,025)</u>

Deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date reported in the tables above will be recognized as a reduction of the net pension liability (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Years Ending
December 31:**

2024	\$ 39,992
2025	200,662
2026	205,860
2027	522,361
2028	-
Thereafter	<u>-</u>
Total	<u>\$ 968,875</u>

Actuarial Assumptions

The total pension liability in the actuarial valuation used in the current and prior year was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2023</u>	<u>2022</u>
Actuarial Valuation Date:	December 31, 2021	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2022	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
Asset Valuation Method:	Fair Value	Fair Value
Long-Term Expected Rate of Return:	6.8%	6.8%
Discount Rate:	6.8%	6.8%
Salary Increases:		
Wage Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table
Post-Retirement Adjustments: *	1.7%	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. The percentages listed above are the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2023 are summarized in the following table:

Asset Allocation Targets and Expected Returns¹ As of December 31, 2022			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %²
Public Equity	48 %	7.6 %	5.0 %
Public Fixed Income	25	5.3	2.7
Inflation Sensitive	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund ³	115	7.4	4.8
Variable Fund Asset			
U.S Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2022 are summarized in the following table:

Asset Allocation Targets and Expected Returns¹ As of December 31, 2021			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %²
Global Equities	52 %	6.8 %	4.2 %
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3.0
Private Equity/Debt	12	9.7	7.0
Total Core Fund ³	115	6.6	4.0
Variable Fund Asset			
U.S Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%.

³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability as of December 31, 2023 and December 31, 2022. As of December 31, 2023, this discount rate was based on the expected rate of return on pension plan investments of 6.80% and a long term bond rate of 4.05%. As of December 31, 2022, the discount rate was based on the expected rate of return on pension plan investments of 6.80% and a long term bond rate of 1.84%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022 and 2021, respectively. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Utility's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Utility's proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the Utility's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

The sensitivity analysis as of December 31, 2023 follows:

	<u>1% Decrease to Discount Rate (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase to Discount Rate (7.80%)</u>
Utility's proportionate share of the net pension liability (asset)	\$ 2,268,272	\$ 683,427	\$ (406,810)

The sensitivity analysis as of December 31, 2022 follows:

	<u>1% Decrease to Discount Rate (5.80%)</u>	<u>Current Discount Rate (6.80%)</u>	<u>1% Increase to Discount Rate (7.80%)</u>
Utility's proportionate share of the net pension liability (asset)	\$ 704,524	\$ (992,887)	\$ (2,214,707)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

8. Other Postemployment Benefits

General Information About the OPEB Plan

Plan description: The Utility's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Utility. RBP is a single-employer defined benefit OPEB plan administered by the Utility. The Board has the authority to amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Total OPEB Liability

At December 31, 2023, the Utility's total OPEB liability of \$48,424 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date. At December 31, 2022, the Utility's total OPEB liability of \$51,536 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>2023</u>	<u>2022</u>
Inflation	The assumed salary inflation of 3.0% per year is added to merit increases to get the total assumed increase in salary.	The assumed salary inflation of 3.0% per year is added to merit increases to get the total assumed increase in salary.
Salary increases	6.50% decreasing by 0.10% per year down to 5.0%, and level thereafter	6.50% decreasing by 0.10% per year down to 5.0%, and level thereafter

The discount rate was based on all years of projected payments discounted at a municipal bond rate of 4.25% for 2022 and 2.00% for 2021.

Mortality rates were based on the Wisconsin 2018 Mortality Table.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period 2018-20.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2021	\$ <u>211,557</u>
Changes for the year:	
Service cost	15,276
Interest	4,708
Changes in assumptions or other inputs	(160,130)
Benefit payments	<u>(19,875)</u>
Net changes	<u>(160,021)</u>
Balances at December 31, 2022	<u>51,536</u>
Changes for the year:	
Service cost	4,249
Interest	1,184
Changes in assumptions or other inputs	(6,457)
Benefit payments	<u>(2,088)</u>
Net changes	<u>(3,112)</u>
Balances at December 31, 2023	<u><u>\$ 48,424</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.00% in 2021 to 4.25% in 2022.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Utility, as well as what the Utility's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

As of December 31, 2023:

	1% Decrease (3.25%)	Discount Rate (4.25%)	1% Increase (5.25%)
Total OPEB liability	\$ 51,173	\$ 48,424	\$ 45,801

As of December 31, 2022:

	1% Decrease (1.00%)	Discount Rate (2.00%)	1% Increase (3.00%)
Total OPEB liability	\$ 54,289	\$ 51,536	\$ 48,826

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Utility, as well as what the Utility's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

As of December 31, 2023:

	1% Decrease (6.0% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)	1% Increase (8.0% Decreasing to 5.5%)
Total OPEB liability	\$ 43,934	\$ 48,424	\$ 53,695

As of December 31, 2022:

	1% Decrease (5.5% Decreasing to 4.0%)	Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)	1% Increase (7.5% Decreasing to 6.0%)
Total OPEB liability	\$ 46,677	\$ 51,536	\$ 57,253

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2023 and 2022, the Utility recognized OPEB expense of \$1,532 and \$(134,103), respectively. At December 31, 2023 and 2022, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,635	\$ (2,491)	\$ 3,075	\$ (2,803)
Changes of assumptions or other inputs	10,754	(11,933)	12,438	(7,096)
Employer contributions subsequent to the measurement date	4,093	-	2,088	-
Total	<u>\$ 17,482</u>	<u>\$ (14,424)</u>	<u>\$ 17,601</u>	<u>\$ (9,899)</u>

Deferred outflows related to OPEB resulting from the employer's contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	
2024	\$ 192
2025	192
2026	192
2027	192
2028	192
Thereafter	<u>(1,995)</u>
Total	(1,035)

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2023 and 2022 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of member contribution
25% Post Retirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates*		
For the Plan Year		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

* Disabled members under 70 receive a waiver-of-premium benefit.

The LRLIF recognized \$1,402 and \$480 in contributions from the employer during the current and prior reporting periods, respectively.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2023, the Utility reported a liability of \$103,389 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net OPEB liability was based on the Utility's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the Utility's proportion was 0.00027137%, which was an increase of 0.00000689% from its proportion measured as of December 31, 2021.

At December 31, 2022, the Utility reported a liability of \$138,739 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Utility's proportion of the net OPEB liability was based on the Utility's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021, the Utility's proportion was 0.00023474%, which was a decrease of 0.00002974% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2023 and 2022, the Utility recognized OPEB expense (revenue) of \$14,829 and \$15,256, respectively.

At December 31, 2023 and 2022, the Utility reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2023</u>		<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (9,917)	\$ -	\$ (7,177)
Net differences between projected and actual investment earnings on plan investments	1,911	-	1,855	-
Changes in actuarial assumptions	36,197	(61,047)	42,906	(7,019)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>12,504</u>	<u>(11,959)</u>	<u>2,542</u>	<u>(15,080)</u>
Total	<u>\$ 50,612</u>	<u>\$ (82,923)</u>	<u>\$ 47,303</u>	<u>\$ (29,276)</u>

Deferred outflows related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date reported in the table above will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

<u>Years Ending December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2024	\$ (3,116)
2025	(3,755)
2026	(1,514)
2027	(5,945)
2028	(10,181)
Thereafter	(7,800)
Total	(32,311)

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2023</u>	<u>2022</u>
Actuarial Valuation Date	January 1, 2022	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022	December 31, 2021
Experience Study	January 1, 2018 - December 31, 2020, Published November 19, 2021	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield *	3.72%	2.06%
Long-Term Expected Rate of Return	4.25%	4.25%
Discount Rate:	3.76%	2.17%
Salary Increases:		
Wage Inflation	3.00%	3.00%
Seniority/Merit	0.10% - 5.6%	0.10% - 5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table

* Based on the Bond Buyers GO index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2022**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50	2.83
Inflation			2.30
Long-Term Expected Rate of Return			4.25

**State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5	1.82
US Mortgages	Bloomberg US MBS	50	1.94
Inflation			2.30
Long-Term Expected Rate of Return			4.25

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

Single Discount Rate

A single discount rate was used to measure the total OPEB liability (3.76% for 2023 and 2.17% for 2022). The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the Utility's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the Utility's proportionate share of the net OPEB liability (asset) calculated using the discount rate, as well as what the Utility's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

As of December 31, 2023:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase to Discount Rate (4.76%)
The Utility's proportionate share of the net OPEB liability (asset)	\$ 140,959	\$ 103,389	\$ 74,595

As of December 31, 2022:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase to Discount Rate (3.17%)
The Utility's proportionate share of the net OPEB liability (asset)	\$ 188,219	\$ 138,739	\$ 101,508

At December 31, 2023, the Utility reported a payable to the OPEB plan of \$0, which represents contractually required contributions outstanding as of the end of the year.

9. Commitments and Contingencies

Claims and Judgments

From time to time, the Utility is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Utility's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Utility's financial position or results of operations.

Grants

The utility has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

10. Risk Management

The Utility is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial liability in any of the past three years. There were no significant reductions in coverage compared to the prior year.

11. Significant Customers**Water Utility**

The Utility has one significant customer who was responsible for 28% and 26% of operating revenues in 2023 and 2022, respectively.

12. Subsequent Events

The Utility evaluated subsequent events through April 12, 2024, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

Safe Drinking Water Loan

On February 14, 2024 and February 28, 2024, the Utility drew an additional \$4,007,370 and \$1,546,440, respectively, in additional funding from the Safe Drinking Water Loan authorized for the raw water intake project. These additional draws will impact the repayment schedules included in Note 5 related to the 2022 Safe Drinking Water Loan.

Rate Adjustment

New water rates were approved by the Public Service Commission of Wisconsin on March 21, 2024. The water rate increase is effective for billings after April 1, 2024.

13. Restatement

Net position has been restated to correct an error in the recognition of grant revenue in 2022.

	<u>12/31/2022</u> <u>(as Reported)</u>	<u>Adjustment</u>	<u>12/31/2023</u> <u>(as Restated)</u>
Statement of Net Position			
Unearned revenue	\$ 5,028,941	\$ (1,655,831)	\$ 3,373,110
Net position	55,681,362	1,655,831	57,337,193
Statement of Changes in Net Position			
Grant revenue	4,777,829	1,655,831	6,433,660
Net position	55,681,362	1,655,831	57,337,193
Statement of Cash Flows			
Grant revenue received	4,521,059	1,655,831	6,176,890
Advance receipt of grant funds	5,028,941	(1,655,831)	3,373,110

Net income of the prior year would have been increased by \$1,655,831.

REQUIRED SUPPLEMENTARY INFORMATION

Sheboygan Water Utility

Item 5.

Schedule of Proportionate Share of the Net Pension Asset (Liability) -
 Wisconsin Retirement System
 Year Ended December 31, 2023
 (Unaudited)

WRS Fiscal Year End Date	Utility's Proportion of the Net Pension Liability (Asset)	Utility's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0.01092910%	\$ (268,255)	\$ 1,844,785	14.54%	102.74%
12/31/15	0.01233200%	200,307	1,974,984	10.14%	98.20%
12/31/16	0.01295300%	106,815	1,892,944	5.64%	99.12%
12/31/17	0.01303701%	(387,084)	1,874,682	20.65%	102.93%
12/31/18	0.01271302%	452,290	1,930,859	23.42%	96.45%
12/31/19	0.01275088%	(411,147)	2,108,745	19.50%	102.96%
12/31/20	0.01232968%	(769,762)	2,082,741	36.96%	105.26%
12/31/21	0.01231841%	(992,887)	2,122,595	46.78%	106.02%
12/31/22	0.01290044%	683,427	2,353,225	29.04%	95.72%

Schedule of Employer Contributions -
 Wisconsin Retirement System
 Year Ended December 31, 2023

Utility's Fiscal Year End Date	Utility's Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 134,299	\$ 134,299	\$ -	\$ 1,973,928	6.80%
12/31/16	124,934	124,934	-	1,892,944	6.60%
12/31/17	127,478	127,478	-	1,874,682	6.80%
12/31/18	129,368	129,368	-	1,930,859	6.70%
12/31/19	138,123	138,123	-	2,108,745	6.55%
12/31/20	140,585	140,585	-	2,082,741	6.75%
12/31/21	143,275	143,275	-	2,122,595	6.75%
12/31/22	152,960	152,960	-	2,353,225	6.50%
12/31/23	174,875	174,875	-	2,571,695	6.80%

See notes to required supplementary information

Sheboygan Water Utility

Schedule of Changes in the Total OPEB Liability and Related Ratios - Health Insurance
 December 31, 2023
 (Unaudited)

Item 5.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service cost	\$ 4,249	\$ 15,276	\$ 13,754	\$ 10,029	\$ 10,894	\$ 10,894
Interest	1,184	4,708	5,674	7,886	7,203	7,184
Differences between expected and actual experience	-	-	-	4,395	-	-
Changes in assumptions	(6,457)	(160,130)	6,555	10,279	(5,560)	-
Benefit payments	(2,088)	(19,875)	(27,746)	(22,805)	(18,721)	(16,356)
Net Change in Total OPEB Liability	(3,112)	(160,021)	(1,763)	9,784	(6,184)	1,722
Total OPEB Liability, Beginning	<u>51,536</u>	<u>211,557</u>	<u>213,320</u>	<u>203,536</u>	<u>209,720</u>	<u>207,998</u>
Total OPEB Liability, Ending	<u>\$ 48,424</u>	<u>\$ 51,536</u>	<u>\$ 211,557</u>	<u>\$ 213,320</u>	<u>\$ 203,536</u>	<u>\$ 209,720</u>
Covered-Employee Payroll	\$ 2,571,696	\$ 2,261,999	\$ 2,122,595	\$ 1,986,982	\$ 1,874,682	\$ 1,877,409
Net OPEB Liability as a Percentage of Covered-Employee Payroll	1.88%	2.28%	9.97%	10.74%	10.86%	11.17%

Notes to Schedule:

The Utility implemented GASB Statements No. 75 in 2018.

See notes to required supplementary information

Sheboygan Water Utility

Item 5.

Schedule of Employer's Proportionate Share of the Net OPEB Liability (Asset) -
 Wisconsin Life Insurance Plan
 Year Ended December 31, 2023
 (Unaudited)

ETF Fiscal Year Ending	Utility's Proportion of the Net OPEB Liability (Asset)	Utility's Proportionate Share of the Net OPEB Liability (Asset)	Utility Covered Payroll	Utility's Proportionate Share of the Net OPEB Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/17	0.02980410%	\$ 89,668	\$ 1,874,682	4.78%	44.81%
12/31/18	0.02878610%	71,889	1,930,859	3.72%	48.69%
12/31/19	0.02620030%	111,566	2,108,745	5.29%	37.58%
12/31/20	0.02644792%	145,483	2,082,741	6.99%	37.58%
12/31/21	0.02347386%	138,739	2,122,595	6.54%	29.57%
12/31/22	0.02713736%	103,389	2,353,225	4.39%	38.81%

Schedule of Employer Contributions -
 Wisconsin Life Insurance Plan
 Year Ended December 31, 2023

Utility's Fiscal Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	\$ 937	\$ 937	\$ -	\$ 1,930,859	0.05%
12/31/19	942	942	-	2,108,745	0.04%
12/31/20	932	932	-	2,082,741	0.04%
12/31/21	527	527	-	2,122,595	0.02%
12/31/22	480	480	-	2,353,225	0.02%
12/31/23	544	544	-	2,571,695	0.02%

See notes to required supplementary information

Wisconsin Retirement System

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

Changes of assumptions: Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Health Insurance

The data presented in the Schedule of Change in the Total OPEB Liability and Related Ratio was taken from the reports issued by the actuary.

Changes in benefit terms. The changes to benefit terms in 2023 were as follows:

- Updated WRS retirement rates to age 75
- Changes to the assumed discount rate increased from 2.00% to 4.25%
- Changes to the assumed health care trend rate
- Changes to the assumed number of dependents covered under family coverage used in determining the expected per capita claims cost

Changes in assumptions. The discount rate increased from 2.00% to 4.25%.

Local Retiree Life Insurance Fund

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

Changes in assumptions: The changes in assumptions in 2022 were as follows:

- The price inflation rate increased from 2.20% to 2.30%
- The discount rate increased from 2.17% to 3.76%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

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Identification and Ownership - Contacts

Utility employee in charge of correspondence concerning this report

Name: LISA M. GOTTSACKER, CPA

Title: Senior Utility Accountant

Mailing Address: 72 Park Avenue
Sheboygan, WI 53081

Phone: (920) 459-3804

Email Address: lgottsacker@sheboyganwater.org

Accounting firm or consultant preparing this report (if applicable)

Name:

Title:

Mailing Address:

Phone:

Email Address:

Name and title of utility General Manager (or equivalent)

Name: JOE TRUEBLOOD, PE

Title: Superintendent

Mailing Address: 72 Park Avenue
Sheboygan, WI 53081

Phone: (920) 459-3805

Email Address: joetrueblood@sheboyganwater.org

Outside contractor responsible for utility operations (if applicable)

Name:

Title:

Mailing Address:

Phone:

Email Address:

President, chairman, or head of utility commission/board or committee

Name: GERALD R. VAN DE KREEKE, CPA

Title: President

Mailing Address: 1530 S. 12th Street
Sheboygan, WI 53081

Phone: (920) 458-4351

Email Address: gvandekreeke@vdks.com

Contact person for cybersecurity issues and events

Name: JOE TRUEBLOOD, PE

Title: Superintendent

Mailing Address: 72 Park Avenue
Sheboygan, WI 53081

Phone: (920) 459-3805

Email Address: joetrueblood@sheboyganwater.org

Identification and Ownership - Contacts

Identification and Ownership - Governing Authority and Audit Information

Utility Governing Authority

Select the governing authority for this utility.

Reports to utility board/commission

Reports directly to city/village council

Audit Information

Are utility records audited by individuals or firms other than utility employees? Yes No

Date of most recent audit report: 04/12/2024

Period covered by most recent audit: 12/31/2023

Individual or firm, if other than utility employee, auditing utility records

Name: JODI DOBSON, CPA

Title: Partner

Organization Name: Baker Tilly US, LLP

USPS Address: Ten Terrace Court, PO Box 7398

City State Zip Madison, WI 53707-7398

Telephone: (608) 240-2469

Email Address: jodi.dobson@bakertilly.com

Report Preparation

If an accounting firm or consultant assists with report preparation, select the type of assistance provided

Review

Identification and Ownership - Contract Operations

Do you have any contracts?

Are any of the Utility's administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and /or current year (i.e., utility billing is done by another entity)?

NO

Workforce Diversity

- g Decimal numbers for part time employees are acceptable values for this schedule. Please enter part time employees as a decimal based on the number of hours worked/2080 hours for a fiscal year. An employee who works 30% of full time would be recorded as .30.
- g Use the Footnotes feature to provide an explanation for any variance with the number of employees listed in Schedule F-06 and information about how many staff are part-time employees.
- g Staff classification of various employment categories can vary from utility to utility. Use the Footnotes feature to provide information about how the utility defines these categories. Additional information on classifying employees can be found in the help document.

Category (a)	Employee Count			
	Total (b)	Management (c)	Executive Leadership (d)	
Total Utility Employees	34.00	3.00	4.00	1
Women	8.00	1.00	0.00	2
Minorities	2.00	0.00	0.00	3
Veterans	2.00	1.00	0.00	4

Income Statement

Description (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			1
Operating Revenues (400)	10,423,636	10,461,270	2
CdYfUjbl '9I dYbgYg.			3
Operation and Maintenance Expense (401-402)	6,425,317	5,053,854	4
Depreciation Expense (403)	1,504,778	1,457,161	5
Amortization Expense (404-407)	0	0	6
Taxes (408)	1,163,186	1,183,524	7
HcHJ' CdYfUjbl '9I dYbgYg	9,093,281	7,694,539	8
BYhCdYfUjbl 'bWta Y	1,330,355	2,766,731	9
Income from Utility Plant Leased to Others (412-413)			10
I H]ImiCdYfUjbl 'bWta Y	1,330,355	2,766,731	11
OTHER INCOME			12
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	13
Income from Nonutility Operations (417)			14
Nonoperating Rental Income (418)			15
Interest and Dividend Income (419)	124,121	52,032	16
Miscellaneous Nonoperating Income (421)	5,102,123	6,206,139	17
HcHJ' CH Yf 'bWta Y	5,226,244	6,258,171	18
HcHJ' 'bWta Y	6,556,599	9,024,902	19
MISCELLANEOUS INCOME DEDUCTIONS			20
Miscellaneous Amortization (425)	(25,088)	(25,134)	21
Other Income Deductions (426)	122,344	122,346	22
HcHJ' A]gW' UbYci g' bWta Y8 YXi Wjcbg	97,256	97,212	23
'bWta Y6 YZfY bhfYgh7\ Uf[Yg	6,459,343	8,927,690	24
INTEREST CHARGES			25
Interest on Long-Term Debt (427)	321,526	428,307	26
Amortization of Debt Discount and Expense (428)		3,814	27
Amortization of Premium on Debt--Cr. (429)	32,872	18,851	28
Interest on Debt to Municipality (430)	6,130	7,143	29
Other Interest Expense (431)	0	0	30
Interest Charged to Construction--Cr. (432)			31
HcHJ' bhfYgh7\ Uf[Yg	294,784	420,413	32
BYi'bWta Y	6,164,559	8,507,277	33
EARNED SURPLUS			34
Unappropriated Earned Surplus (Beginning of Year) (216)	54,050,319	45,285,910	35
Balance Transferred from Income (433)	6,164,559	8,507,277	36
Miscellaneous Credits to Surplus (434)		257,132	37
Miscellaneous Debits to Surplus--Debit (435)	26,119		38
Appropriations of Surplus--Debit (436)			39
Appropriations of Income to Municipal Funds--Debit (439)			40
HcHJ' I bUddfcdf]UHx'9UfbYX'Gi fd'i g'9bX'cZMYU' fE% L	60,188,759	54,050,319	41

Income Statement Account Details

g Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

g Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

g If amount of Contributed Plant - Water (421) does not match the total Additions During Year entered on Water Utility Plant in Service - Plant Financed by Contributions, please provide a detailed explanation. Please see the help guide for more information.

Description (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
UTILITY OPERATING INCOME			
Operating Revenues (400)			
Derived	10,423,636		10,423,636
Total (Acct. 400)	10,423,636	0	10,423,636
Operation and Maintenance Expense (401-402)			
Derived	6,425,317		6,425,317
Total (Acct. 401-402)	6,425,317	0	6,425,317
Depreciation Expense (403)			
Derived	1,504,778		1,504,778
Total (Acct. 403)	1,504,778	0	1,504,778
Amortization Expense (404-407)			
Derived	0		0
Total (Acct. 404-407)	0	0	0
Taxes (408)			
Derived	1,163,186		1,163,186
Total (Acct. 408)	1,163,186	0	1,163,186
TOTAL UTILITY OPERATING INCOME	1,330,355	0	1,330,355
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)			
Derived	0	0	0
Total (Acct. 415-416)	0	0	0
Interest and Dividend Income (419)			
INTEREST AND DIVIDENDS	124,121		124,121
Total (Acct. 419)	124,121	0	124,121
Miscellaneous Nonoperating Income (421)			
Contributed Plant - Water			0
Impact Fees - Water			0
Grant Revenue		5,102,123	5,102,123
Total (Acct. 421)	0	5,102,123	5,102,123
TOTAL OTHER INCOME	124,121	5,102,123	5,226,244
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)			
Regulatory Liability (253) Amortization	(25,088)		(25,088)
Total (Acct. 425)	(25,088)	0	(25,088)
Other Income Deductions (426)			
Depreciation Expense on Contributed Plant - Water		122,344	122,344
Total (Acct. 426)	0	122,344	122,344
TOTAL MISCELLANEOUS INCOME DEDUCTIONS	(25,088)	122,344	97,256
INTEREST CHARGES			

Income Statement Account Details

- g Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
- g Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.
- g If amount of Contributed Plant - Water (421) does not match the total Additions During Year entered on Water Utility Plant in Service - Plant Financed by Contributions, please provide a detailed explanation. Please see the help guide for more information.

Description (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
Interest on Long-Term Debt (427)				40
Derived	321,526		321,526	41
Total (Acct. 427)	321,526	0	321,526	42
Amortization of Premium on Debt--Cr. (429)				43
Bonds	32,872		32,872	44
Total (Acct. 429)	32,872	0	32,872	45
Interest on Debt to Municipality (430)				46
Derived	6,130		6,130	47
Total (Acct. 430)	6,130	0	6,130	48
Other Interest Expense (431)				49
Derived	0		0	50
Total (Acct. 431)	0	0	0	51
TOTAL INTEREST CHARGES	294,784	0	294,784	52
NET INCOME	1,184,780	4,979,779	6,164,559	53
EARNED SURPLUS				54
Unappropriated Earned Surplus (Beginning of Year) (216)				55
Derived	43,390,332	10,659,987	54,050,319	56
Total (Acct. 216)	43,390,332	10,659,987	54,050,319	57
Balance Transferred from Income (433)				58
Derived	1,184,780	4,979,779	6,164,559	59
Total (Acct. 433)	1,184,780	4,979,779	6,164,559	60
Miscellaneous Debits to Surplus--Debit (435)				61
Prior Period Adjustment		26,119	26,119	62
Total (Acct. 435)	0	26,119	26,119	63
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR)	44,575,112	15,613,647	60,188,759	64

Income Statement Account Details

- g Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
- g Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.
- g If amount of Contributed Plant . ~~A~~Water (421) does not match the total Additions During Year entered on Water Utility Plant in Service . ~~P~~lant Financed by Contributions, please provide a detailed explanation. Please see the help guide for more information.

Income Statement Account Details (Page F-02)

Amount of Miscellaneous Debits to Surplus (Acct 435) exceeds \$10,000, please explain fully.

Prior period adjustment of \$26,119 related to ARPA grant funds received and spent in the prior year for the Raw Water Improvement Project.

General Footnote

Grant revenue is made up of \$2,000,000 from EPA Community Grant for the Raw Water Improvement Project, and \$3,102,123 received from American Rescue Plan Act, spent in part for 2023 construction work on the Raw Water Improvement Project. Total ARPA funds received for this project were \$9,550,000, \$270,987 remains unspent as of 12/31/23.

Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)

Particulars (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Revenues						1
Revenues (account 415)	151,358				151,358	2
Cost and Expenses of Merchandising, Jobbing and Contract Work (416)						3
Cost of merchandise sold					0	4
Payroll					0	5
Materials	151,358				151,358	6
Taxes					0	7
Total costs and expenses	151,358	0	0	0	151,358	8
Net Income (or loss)	0	0	0	0	0	9

Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)

Income from Merchandising, Jobbing & Contract Work (Accts. 415-416) (Page F-03)

General Footnote

Revenues received from the DNR Safe Drinking Water Loan program for the replacement of lead water service laterals. Expenses paid to plumbing contractors for the replacement of lead water service laterals.

Distribution of Total Payroll

- g Amounts charged to Utility Financed and to Contributed Plant accounts should be combined and reported in plant or accumulated depreciation accounts.
- g Amount originally charged to clearing accounts as shown in column (b) should be shown as finally distributed in column (c).
- g The amount for clearing accounts in column (c) is entered as a negative for account "Clearing Accounts" and the distributions to accounts on all other lines in column (c) will be positive with the total of column (c) being zero.
- g Provide additional information in the schedule footnotes when necessary.
- g Please see the help guide for examples of how to break out shared costs.

Accounts Charged (a)	Direct Payroll Distribution (b)	Allocation of Amounts Charged Clearing Accts. (c)	Total (d)	
Water operating expenses	2,221,835		2,221,835	1
Electric operating expenses			0	2
Gas operating expenses			0	3
Heating operating expenses			0	4
Sewer operating expenses			0	5
Merchandising and jobbing			0	6
Other nonutility expenses			0	7
Water utility plant accounts	150,290		150,290	8
Electric utility plant accounts			0	9
Gas utility plant accounts			0	10
Heating utility plant accounts			0	11
Sewer utility plant accounts			0	12
Accum. prov. for depreciation of water plant			0	13
Accum. prov. for depreciation of electric plant			0	14
Accum. prov. for depreciation of gas plant			0	15
Accum. prov. for depreciation of heating plant			0	16
Accum. prov. for depreciation of sewer plant			0	17
Clearing accounts			0	18
All other accounts			0	19
Total Payroll	2,372,125	0	2,372,125	20

Full-Time Employees (FTE)

- g Use FTE numbers where FTE stands for Full-Time Employees or Full-Time Equivalency. FTE can be computed by using total hours worked/2080 hours for a fiscal year. Estimate to the nearest hundredth. If an employee works part time for more than one industry then determine FTE based on estimate of hours worked per industry.
- g Example: An employee worked 35% of their time on electric jobs, 30% on water jobs, 20% on sewer jobs and 15% on municipal nonutility jobs. The FTE by industry would be .35 for electric, .30 for water and .20 for sewer.

Industry (a)	FTE (b)	
Water	31.0	1
Electric		2
Gas		3
Sewer		4

Balance Sheet

Assets and Othe Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
ASSESTS AND OTHER DEBITS			1
UTILITY PLANT			2
Utility Plant (101)	120,563,373	88,203,542	3
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (111)	29,557,298	27,827,390	4
Utility Plant Acquisition Adjustments (117-118)	0	0	5
Other Utility Plant Adjustments (119)	0	0	6
BYhil H]mD'Ubh	91,006,075	60,376,152	7
OTHER PROPERTY AND INVESTMENTS			8
Nonutility Property (121)	0	0	9
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	10
Investment in Municipality (123)	0	0	11
Other Investments (124)	0	0	12
Sinking Funds (125)	612,360	644,320	13
Depreciation Fund (126)	0	0	14
Other Special Funds (128)	0	0	15
HcHU' CA Yf DfcdYfmiUbX' =bj Ygfa Ybtg	612,360	644,320	16
CURRENT AND ACCRUED ASSETS			17
Cash (131)	0	0	18
Special Deposits (134)	0	0	19
Working Funds (135)	0	0	20
Temporary Cash Investments (136)	8,584,304	14,548,606	21
Notes Receivable (141)	0	0	22
Customer Accounts Receivable (142)	1,755,127	1,807,987	23
Other Accounts Receivable (143)	773,159	195,225	24
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	25
Receivables from Municipality (145)	269,500	282,342	26
Plant Materials and Operating Supplies (154)	231,559	249,572	27
Merchandise (155)	0	0	28
Other Materials and Supplies (156)	0	0	29
Stores Expense (163)	0	0	30
Prepayments (165)	32,411	22,846	31
Interest and Dividends Receivable (171)	0	0	32
Accrued Utility Revenues (173)	0	0	33
Miscellaneous Current and Accrued Assets (174)	2,648,031	2,025,204	34
HcHU' 7 i ffYbhiUbX' 5 VVfi YX' 5 ggYfg	14,294,091	19,131,782	35
DEFERRED DEBITS			36
Unamortized Debt Discount and Expense (181)	0	0	37
Extraordinary Property Losses (182)	0	0	38
Preliminary Survey and Investigation Charges (183)	0	0	39
Clearing Accounts (184)	0	0	40
Temporary Facilities (185)	0	0	41
Miscellaneous Deferred Debits (186)	105,430	992,887	42
HcHU' 8 YZffYX' 8 YV]fg	105,430	992,887	43
HCH5 @5 GG9HG' 5 B8 'CH< 9F ' 896 #HG	106,017,956	81,145,141	44

Balance Sheet

Liabilities and Othe Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
LIABILITIES AND OTHER CREDITS			1
PROPRIETARY CAPITAL			2
Capital Paid in by Municipality (200)	3,181,819	3,181,819	3
Appropriated Earned Surplus (215)	0	0	4
Unappropriated Earned Surplus (216)	60,188,759	54,050,319	5
“HcHJ” DfcdfjYUfmi7 UdjKJ	63,370,578	57,232,138	6
LONG-TERM DEBT			7
Bonds (221)	33,448,209	12,390,119	8
Advances from Municipality (223)	94,450	114,823	9
Other Long-Term Debt (224)	0	0	10
“HcHJ” @cbj !HYfa 8 YVh	33,542,659	12,504,942	11
CURRENT AND ACCRUED LIABILITIES			12
Notes Payable (231)	0	0	13
Accounts Payable (232)	4,202,353	3,099,909	14
Payables to Municipality (233)	0	0	15
Customer Deposits (235)	0	0	16
Taxes Accrued (236)	1,032,425	1,061,884	17
Interest Accrued (237)	129,533	187,172	18
Tax Collections Payable (241)	0	0	19
Miscellaneous Current and Accrued Liabilities (242)	1,618,098	2,475,600	20
“HcHJ” 7i ffYbhUbX’5 VVW! YX’ @UVj]HjYg	6,982,409	6,824,565	21
DEFERRED CREDITS			22
Unamortized Premium on Debt (251)	133,370	166,243	23
Customer Advances for Construction (252)	270,987	3,346,989	24
Other Deferred Credits (253)	900,395	321,447	25
“HcHJ” 8 YZffYX’7 fYX]Jg	1,304,752	3,834,679	26
OPERATING RESERVES			27
Property Insurance Reserve (261)	0	0	28
Injuries and Damages Reserve (262)	0	0	29
Pensions and Benefits Reserve (263)	0	0	30
Miscellaneous Operating Reserves (265)	817,558	748,817	31
“HcHJ” CdYfUj]b[F YgYfj Yg	817,558	748,817	32
“HCH5 @@56 =@H9 G’5 B8 CH<9F 7 F98 #HG	106,017,956	81,145,141	33

Net Utility Plant

g Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	
First of Year					1
Total Utility Plant - First of Year	88,203,542	0	0	0	2
	88,203,542	0	0	0	3
Plant Accounts					4
Utility Plant in Service - Financed by Utility Operations or by the Municipality (101.1)	71,505,724				5
Utility Plant in Service - Contributed Plant (101.2)	6,395,941				6
Utility Plant Purchased or Sold (102)					7
Utility Plant Leased to Others (104)					8
Property Held for Future Use (105)					9
Completed Construction not Classified (106)					10
Construction Work in Progress (107)	42,661,708				11
Total Utility Plant	120,563,373	0	0	0	12
Accumulated Provision for Depreciation and Amortization					13
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (111.1)	27,392,843				14
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (111.2)	2,164,455				15
Accumulated Provision for Depreciation of Utility Plant Leased to Others (112)					16
Accumulated Provision for Depreciation of Property Held for Future Use (113)					17
Accumulated Provision for Amortization of Utility Plant in Service (114)					18
Accumulated Provision for Amortization of Utility Plant Leased to Others (115)					19
Accumulated Provision for Amortization of Property Held for Future Use (116)					20
Total Accumulated Provision	29,557,298	0	0	0	21
Accumulated Provision for Depreciation and Amortization					22
Utility Plant Acquisition Adjustments (117)					23
Accumulated Provision for Amortization of Utility Plant Acquisition Adjustments (118)					24
Other Utility Plant Adjustments (119)					25
Total Other Utility Plant Accounts	0	0	0	0	26
Net Utility Plant	91,006,075	0	0	0	27

Accumulated Provision for Depreciation of Utility Plant on Utility Plant Financed by Utility Operations or by the Municipality (Acct. 111.1)

Depreciation Accruals (Credits) during the year (111.1):

- g Report the amounts charged in the operating sections to Depreciation Expense (403).
- g If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
- g Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water Column. If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
- g Report all other accruals charged to other accounts, such as to clearing accounts.

Description (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Balance First of Year (111.1)	25,785,279	0	0	0	25,785,279	1
Credits during year						2
Charged Depreciation Expense (403)	1,504,778				1,504,778	3
Depreciation Expense on Meters Charged to Sewer	201,052				201,052	4
Salvage	0				0	5
Depreciation Charged to Equipment Clearing	29,044				29,044	6
Total credits	1,734,874	0	0	0	1,734,874	7
Debits during year						8
Book Cost of Plant Retired	127,310				127,310	9
Cost of Removal	0				0	10
Total debits	127,310	0	0	0	127,310	11
Balance end of year (111.1)	27,392,843	0	0	0	27,392,843	12

Accumulated Provision for Depreciation of Utility Plant on Contributed Plant in Service (Acct. 111.2)

Depreciation Accruals (Credits) during the year (111.2):

- g Report the amounts charged in the operating sections to Other Income Deductions (426).
- g If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
- g Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water Column. If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
- g Report all other accruals charged to other accounts, such as to clearing accounts.

Description (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Balance First of Year (111.2)	2,042,111	0	0	0	2,042,111	1
Credits during year						2
Charged Other Income Deductions (426)	122,344				122,344	3
Depreciation Expense on Meters Charged to Sewer					0	4
Salvage	0				0	5
Total credits	122,344	0	0	0	122,344	6
Debits during year						7
Book Cost of Plant Retired	0				0	8
Cost of Removal	0				0	9
Total debits	0	0	0	0	0	10
Balance end of year (111.2)	2,164,455	0	0	0	2,164,455	11

Net Nonutility Property (Accts. 121 & 122)

- g Report separately each item of property with a book cost of \$5,000 or more included in account 121.
- g Other items may be grouped by classes of property.
- g Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Total Nonutility Property (121)	0	0	0	0	2
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	4

Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)

	Description (a)	Amount (b)	
Balance first of year		0	1
Additions			2
Provision for uncollectibles during year		0	3
Collection of accounts previously written off: Utility Customers		0	4
Collection of accounts previously written off: Others		0	5
Total Additions		0	6
Accounts Written Off			7
Accounts written off during the year: Utility Customers		0	8
Accounts written off during the year: Others		0	9
Total Accounts Written Off		0	10
Balance End of Year		0	11

Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)

Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144) (Page F-12)

General Footnote

The Sheboygan Water Utility uses the tax roll process, adding delinquent amounts to the tax roll, therefore no provision is made for uncollectible accounts.

Materials and Supplies

Account (a)	Generation (b)	Transmission (d)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							1
Fuel (151)					0	0	2
Fuel stock expenses (152)					0	0	3
Plant mat. & oper. sup. (154)					0	0	4
Total Electric Utility	0	0	0	0	0	0	5

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility (154)	231,559	249,572	2
Sewer utility (154)			3
Heating utility (154)			4
Gas utility (154)			5
Merchandise (155)			6
Other materials & supplies (156)			7
Stores expense (163)			8
Total Material and Supplies	231,559	249,572	9

Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				1
None				2
Total	0		0	3
Unamortized premium on debt (251)				4
Bonds	32,872	426	133,370	5
None				6
Total	32,872		133,370	7

Capital Paid in by Municipality (Acct. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

	Description (a)	Amount (b)	
Balance first of year		3,181,819	1
Balance end of year		3,181,819	2

Capital Paid in by Municipality (Acct. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Capital Paid in by Municipality (Acct. 200) (Page F-15)

General Footnote

Capital paid in by municipality includes \$1,541,118 capital contribution in 2019 from municipality of water main and hydrants in the SouthPointe Enterprise Campus. Remaining \$1,640,701 are contributions for projects in years prior to 2019.

Bonds (Acct. 221)

- g Report information required for each separate issue of bonds.
- g If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- g Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.
- g Enter interest rates in decimal form. For example, enter 6.75% as 0.0675

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
2004 SAFE DRINKING WATER LOAN	03/10/2004	05/01/2023	2.75%	0 *	1
2013 WATER UTILITY REVENUE BONDS	04/03/2013	05/01/2033	2.00%	1,730,000	2
2015 SAFE DRINKING WATER LOAN	05/13/2015	05/01/2035	1.65%	1,951,839	3
2016 WATER UTILITY REVENUE BONDS	04/20/2016	04/20/2025	1.64%	450,000	4
2018 WATER UTILITY REVENUE BONDS	05/01/2018	05/01/2033	4.00%	3,105,000	5
2022 SAFE DRINKING WATER LOAN	06/22/2022	05/01/2052	2.15%	26,211,370	6
Total				33,448,209	7

Bonds (Acct. 221)

- g Report information required for each separate issue of bonds.
- g If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- g Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.
- g Enter interest rates in decimal form. For example, enter 6.75% as 0.0675

Bonds (Acct. 221) (Page F-17)**General Footnote**

Sheboygan Water Utility expects to make the first principal and interest payment May 1, 2024 on the 2022 Safe Drinking Water Loan related to the Raw Water Improvement Project.

Notes Payable & Miscellaneous Long-Term Debt

- g Report each class of debt included in Accounts 223, 224 and 231.
- g Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
- g If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
- g Enter interest rates in decimal form. For example, enter 6.75% as 0.0675

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances from Municipality (223)					1
UNFUNDED PENSION	03/15/2008	03/15/2027	2.00%	94,450	2
Total for Account 223				94,450	3

Taxes Accrued (Acct. 236)

Description (a)	Amount (b)	
Balance first of year	1,061,884	1
Charged water department expense	1,163,186	2
Charged electric department expense		3
Charged gas department expense		4
Charged sewer department expense	34,686	5
Total accruals and other credits	1,197,872	6
County, state and local taxes	1,061,936	7
Social Security taxes	156,026	8
PSC Remainder Assessment	9,369	9
Gross Receipts Tax		10
Total payments and other debits	1,227,331	11
Balance end of year	1,032,425	12

Interest Accrued (Acct. 237)

g Report below interest accrued on each utility obligation.
 g Report customer deposits under account 235.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)	0	0	0	0	1
2004 SAFE DRINKING WATER LOAN \$3,152,000	961	1,922	2,883	0 *	2
2013 WATER UTILITY REVENUE BOND	9,921	56,625	57,350	9,196	3
2015 SAFE DRINKING WATER LOAN \$3,122,030	5,770	33,008	33,410	5,368	4
2016 WATER UTILITY REVENUE BONDS \$2,115,000	2,064	9,181	9,981	1,264	5
2018 WATER UTILITY REVENUE BONDS \$4,705,000	20,940	116,304	118,638	18,606	6
2020 WATER UTILITY BOND ANTICIP NOTE \$3,100,000	4,737	0	4,737	0	7
2022 SAFE DRINKING WATER LOAN \$39,430,018	137,602	104,486	151,144	90,944 *	8
Subtotal Bonds (221)	181,995	321,526	378,143	125,378	9
Advances from Municipality (223)	0	0	0	0	10
UNFUNDED PENSION	5,177	6,130	7,152	4,155	11
Subtotal Advances from Municipality (223)	5,177	6,130	7,152	4,155	12
Other Long-Term Debt (224)	0	0	0	0	13
None				0	14
Subtotal Other Long-Term Debt (224)	0	0	0	0	15
Notes Payable (231)	0	0	0	0	16
None				0	17
Subtotal Notes Payable (231)	0	0	0	0	18
Customer Deposits (235)	0	0	0	0	19
None				0	20
Subtotal Customer Deposits (235)	0	0	0	0	21
Total	187,172	327,656	385,295	129,533	22

Interest Accrued (Acct. 237)

- g Report below interest accrued on each utility obligation.
- g Report customer deposits under account 235.

Interest Accrued (Acct. 237) (Page F-20)

General Footnote

2004 Safe Drinking Water Loan was paid in full on 05/01/2023.

Sheboygan Water Utility expects to make the first principal and interest payment May 1, 2024 on the 2022 Safe Drinking Water Loan related to the Raw Water Improvement Project.

Balance Sheet Detail - Other Accounts

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Description (a)	Balance End of Year (b)	
Sinking Funds (125)	0	1
Bond Reserve Fund	612,360	2
Total (Acct. 125)	612,360	3
Cash and Working Funds (131)	0	4
Cash		5
Total (Acct. 131)	0	6
Temporary Cash Investments (136)	0	7
Temporary Cash Investments	8,584,304	8
Total (Acct. 136)	8,584,304	9
Customer Accounts Receivable (142)	0	10
Water	1,755,127	11
Total (Acct. 142)	1,755,127	12
Other Accounts Receivable (143)	0	13
Sewer (Non-regulated)		14
Merchandising, jobbing and contract work	773,159 *	15
Total (Acct. 143)	773,159	16
Receivables from Municipality (145)	0	17
Receivables for water main, laterals, and PFP	269,500 *	18
Total (Acct. 145)	269,500	19
Prepayments (165)	0	20
Prepayments	32,411	21
Total (Acct. 165)	32,411	22
Miscellaneous Current and Accrued Assets (174)	0	23
Deferred Outflow - Pension and OPEB	2,648,031	24
Total (Acct. 174)	2,648,031	25
Miscellaneous Deferred Debits (186)	0	26
Cumulative Effect - GASB 68	105,430	27
Total (Acct. 186)	105,430	28
Accounts Payable (232)	0	29
Accounts Payable	4,202,353	30
Total (Acct. 232)	4,202,353	31
Miscellaneous Current and Accrued Liabilities (242)	0	32

Balance Sheet Detail - Other Accounts

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Accrued Payroll	84,564	33
Deferred Inflow - Pension and OPEB	1,533,534	34
Total (Acct. 242)	1,618,098	35
Customer Advances for Construction (252)	0	36
Unearned Revenue	270,987 *	37
Total (Acct. 252)	270,987	38
Other Deferred Credits (253)	0	39
Regulatory Liability	0	40
Cumulative Effect - GASB 75	65,155	41
Net Pension Liability	835,240	42
Total (Acct. 253)	900,395	43
Miscellaneous Operating Reserves (265)	0	44
Accrued Vacation & Sick Leave	817,558	45
Total (Acct. 265)	817,558	46

Balance Sheet Detail - Other Accounts

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Balance Sheet Detail - Other Accounts (Page F-22)

Explain amounts in Accounts 143, 145 and/or 233 in excess of \$10,000. Provide a short list or detailed description, but do not use terms such as other revenues, general, miscellaneous, or repeat the account title.

Acct #143 pertains to accounts receivable for grant reimbursements from the DNR Safe Drinking Water Loan Program principal forgiveness for replacing lead water service laterals in the City of Sheboygan. Funds received in 2024 will reimburse expense from 2023 and 2024.

Acct #145 pertains to receivables from the City of Sheboygan for water main assessments, water lateral assessments, shared locating services, and charges for billing and collecting sewer and garbage payments.

General Footnote

Unearned revenue is related to American Rescue Plan Act grant provided by the municipality, to fund in part, the construction of the Raw Water Improvement Project. The total grant was \$9,550,000 received from the municipality in 2022, with \$270,987 remaining unspent as of 12/31/23.

Return on Rate Base Computation

- g The data used in calculating rate base are averages.
- g Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
- g For municipal utilities, do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.
- g For private utilities, do not include property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Add Average						1
Utility Plant in Service (101.1)	70,816,227				70,816,227	2
Materials and Supplies	240,565				240,565	3
Less Average						4
Reserve for Depreciation (111.1)	26,589,061				26,589,061	5
Customer Advances for Construction					0	6
Regulatory Liability	12,544				12,544	7
Average Net Rate Base	44,455,187	0	0	0	44,455,187	8
Net Operating Income	1,330,355				1,330,355	9
Net Operating Income as a percent of Average Net Rate Base	2.99%	N/A	N/A	N/A	2.99%	10

Regulatory Liability - Pre-2003 Historical Accumulated Depreciation on Contributed Utility Plant (253)

Description (a)	Water (b)	Electric (c)	Gas (d)	Sewer (e)	Total (f)	
Balance First of Year	25,088	0	0	0	25,088	1
Credits During Year					0	2
None					0	3
Charges (Deductions)					0	4
Miscellaneous Amortization (425)	25,088				25,088 *	5
Balance End of Year	0	0	0	0	0	6

Regulatory Liability - Pre-2003 Historical Accumulated Depreciation on Contributed Utility Plant (253)

Regulatory Liability - Pre-2003 Historical Accumulated Depreciation on Contributed Utility Plant (253) (Page F-25)

General Footnote

These contributed plant assets were fully depreciated as of 12/31/2023.

Important Changes During the Year

Report changes of any of the following types:

1. Acquisitions
NONE

2. Leaseholder changes
NONE

3. Extensions of service
NONE

4. Estimated changes in revenues due to rate changes

A rate case is pending with the Public Service Commission of Wisconsin to increase rates in two phases, with phase I rate of return estimated at 3.8% over current rates in 2024, and phase II rate of return estimated at 6% over current rates in 2025. Estimated implementation of new rates is expected in spring 2024. The rate increase is necessary to offset increasing operating and maintenance costs, as well as replacement of aging critical infrastructure.

5. Obligations incurred or assumed, excluding commercial paper

Sheboygan Water Utility submitted an application to the WDNR Safe Drinking Water Loan Program to provide \$1,646,375 in grants and loans to property owners for lead service line replacement in the City of Sheboygan. These funds will be used to reimburse both 2023 and 2024 LSL grant and loan expenses.

6. Formal proceedings with the Public Service Commission

A rate case was submitted to the Public Service Commission of Wisconsin on August 2, 2023. Estimated implementation of new rates is expected in spring 2024.

7. Any additional matters

Sheboygan Water Utility received a \$2,000,000 EPA Community Grant in October 2023 to fund, in part, a portion of the Raw Water Improvement Project.

Water Operating Revenues & Expenses

Description (a)	This Year (b)	Last Year (c)	
Operating Revenues - Sales of Water			1
Sales of Water (460-467)	10,196,668	10,231,008	2
Total Sales of Water	10,196,668	10,231,008	3
Other Operating Revenues			4
Forfeited Discounts (470)	112,599	123,240	5
Rents from Water Property (472)	30,367	29,483	6
Interdepartmental Rents (473)	0	0	7
Other Water Revenues (474)	84,002	77,539	8
Total Other Operating Revenues	226,968	230,262	9
Total Operating Revenues	10,423,636	10,461,270	10
Operation and Maintenance Expenses			11
Source of Supply Expense (600-617)	20,615	10,260	12
Pumping Expenses (620-633)	940,497	805,912	13
Water Treatment Expenses (640-652)	1,882,900	1,402,059	14
Transmission and Distribution Expenses (660-678)	1,703,421	1,087,895	15
Customer Accounts Expenses (901-906)	293,363	263,813	16
Sales Expenses (910)	0	0	17
Administrative and General Expenses (920-932)	1,584,521	1,483,915	18
Total Operation and Maintenance Expenses	6,425,317	5,053,854	19
Other Operating Expenses			20
Depreciation Expense (403)	1,504,778	1,457,161	21
Amortization Expense (404-407)			22
Taxes (408)	1,163,186	1,183,524	23
Total Other Operating Expenses	2,667,964	2,640,685	24
Total Operating Expenses	9,093,281	7,694,539	25
NET OPERATING INCOME	1,330,355	2,766,731	26

Water Operating Revenues - Sales of Water

- g Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
- g Report estimated gallons for unmetered sales.
- g Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified multifamily residential.
- g Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered or measured by tank of pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (Account 461).
- g **Report average number of individually-metered accounts (meters). The amount reported should be the average meter count. E.g. if a hospital has 5 meters, a total of 5 meters should be reported on this schedule in column b (Average No. of Customers).**
- g **Do not include meters or revenue billed under Schedule Am-1 (Additional Meter Rental Charge) in Account 461. Record revenues billed under Schedule Am-1 in Account 474.**

Description (a)	Average No. Customer (b)	Thousand of Gallons of Water Sold (c)	Amount (d)	
Unmetered Sales to General Customers (460)				1
Residential (460.1)				2
Commercial (460.2)				3
Industrial (460.3)				4
Public Authority (460.4)				5
Multifamily Residential (460.5)				6
Irrigation (460.6)				7
Total Unmetered Sales to General Customers (460)	0	0	0	8
Metered Sales to General Customers (461)				9
Residential (461.1)	17,113	732,239	2,703,830	10
Commercial (461.2)	1,311	222,361	614,875	11
Industrial (461.3)	150	2,398,494	4,490,501	12
Public Authority (461.4)	119	51,377	138,585	13
Multifamily Residential (461.5)	295	128,555	333,074	14
Irrigation (461.6)				15
Total Metered Sales to General Customers (461)	18,988	3,533,026	8,280,865	16
Private Fire Protection Service (462)	308		131,364	17
Public Fire Protection Service (463)	19,141		948,727	18
Other Water Sales (465)				19
Sales for Resale (466)	2	574,243	835,712	20
Interdepartmental Sales (467)				21
Total Sales of Water	38,439	4,107,269	10,196,668	22

Sales for Resale (Acct. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)	
Kohler Municipal Water Utility	TAYLOR DR & ERIE AVE	239,603	336,177	1
Sheboygan Falls Utilities	TAYLOR DR & HWY 23	334,640	499,535	2
Total		574,243	835,712	3

Other Operating Revenues (Water)

- g Report revenues relating to each account and fully describe each item using other than the account title.
- g Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
- g For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Description (a)	Amount (b)	
Public Fire Protection Service (463)		1
Amount billed (usually per rate schedule F-1 or Fd-1)	948,727	2
Wholesale fire protection billed		3
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		4
Total Public Fire Protection Service (463)	948,727	5
Forfeited Discounts (470)		6
Customer late payment charges	112,599	7
Total Forfeited Discounts (470)	112,599	8
Rents from Water Property (472)		9
Rent of tower for cellular antennas	30,367	10
Total Rents from Water Property (472)	30,367	11
Interdepartmental Rents (473)		12
None		13
Total Interdepartmental Rents (473)	0	14
Other Water Revenues (474)		15
Return on net investment in meters charged to sewer department	84,002 *	16
Total Other Water Revenues (474)	84,002	17

Other Operating Revenues (Water)

- g Report revenues relating to each account and fully describe each item using other than the account title.
- g Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
- g For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Other Operating Revenues (Water) (Page W-04)

Explain all amounts in Account 474 in excess of \$10,000.

Acct 474 is revenue related to sewer only and sewer deduct charges, meter charges and tap charges.

Water Operation & Maintenance Expenses

- g Fully explain each expense account that has a difference between This Year and the previous three year average that is greater than 15 percent and \$10,000 (class AB), 15 percent and \$5,000 (class C), 15 percent and \$1,000 (class D). Include a breakdown of costs that contributed to the difference.
- g Class C and class D report all expenses in Other Expense (column c).

Description (a)	Labor Expense (b)	Other Expense (c)	Total This Year (d)	Last Year (e)	
SOURCE OF SUPPLY EXPENSES					1
Operation Supervision and Engineering (600)			0	0	2
Operation Labor and Expenses (601)			0	0	3
Purchased Water (602)			0	0	4
Miscellaneous Expenses (603)			0	0	5
Rents (604)			0	0	6
Maintenance Supervision and Engineering (610)			0	0	7
Maintenance of Structures and Improvements (611)			0	0	8
Maintenance of Collecting and Impounding Reservoirs (612)			0	0	9
Maintenance of Lake, River and Other Intakes (613)		20,615	20,615	10,260 *	10
Maintenance of Wells and Springs (614)			0	0	11
Maintenance of Supply Mains (616)			0	0	12
Maintenance of Miscellaneous Water Source Plant (617)			0	0	13
Total Source of Supply Expenses	0	20,615	20,615	10,260	14
PUMPING EXPENSES					15
Operation Supervision and Engineering (620)	45,029		45,029	40,371	16
Fuel for Power Production (621)			0	0	17
Power Production Labor and Expenses (622)			0	0	18
Fuel or Power Purchased for Pumping (623)		555,638	555,638	500,650	19
Pumping Labor and Expenses (624)			0	0	20
Expenses Transferred--Credit (625)			0	0	21
Miscellaneous Expenses (626)	4,032	64,476	68,508	115,484 *	22
Rents (627)			0	0	23
Maintenance Supervision and Engineering (630)	12,848		12,848	12,455	24
Maintenance of Structures and Improvements (631)	188,514	2,510	191,024	136,175 *	25
Maintenance of Power Production Equipment (632)			0	0	26
Maintenance of Pumping Equipment (633)	1,670	65,780	67,450	777 *	27
Total Pumping Expenses	252,093	688,404	940,497	805,912	28
WATER TREATMENT EXPENSES					29
Operation Supervision and Engineering (640)	48,491		48,491	43,159	30
Chemicals (641)		520,300	520,300	370,578 *	31
Operation Labor and Expenses (642)	563,820	448,865	1,012,685	871,492 *	32
Miscellaneous Expenses (643)	7,201	16,337	23,538	30,191	33
Rents (644)			0	0	34
Maintenance Supervision and Engineering (650)			0	0	35
Maintenance of Structures and Improvements (651)	51,370	1,466	52,836	55,215	36
Maintenance of Water Treatment Equipment (652)	6,171	218,879	225,050	31,424 *	37
Total Water Treatment Expenses	677,053	1,205,847	1,882,900	1,402,059	38
TRANSMISSION AND DISTRIBUTION EXPENSES					39
Operation Supervision and Engineering (660)	54,433		54,433	49,493	40

Water Operation & Maintenance Expenses

- g Fully explain each expense account that has a difference between This Year and the previous three year average that is greater than 15 percent and \$10,000 (class AB), 15 percent and \$5,000 (class C), 15 percent and \$1,000 (class D). Include a breakdown of costs that contributed to the difference.
- g Class C and class D report all expenses in Other Expense (column c).

Description (a)	Labor Expense (b)	Other Expense (c)	Total This Year (d)	Last Year (e)	
Storage Facilities Expenses (661)	1,433	17,482	18,915	20,182	41
Transmission and Distribution Lines Expenses (662)	90,208	7,362	97,570	106,736	42
Meter Expenses (663)	30,453	2,564	33,017	42,420	43
Customer Installations Expenses (664)	27,329	678,680	706,009	145,057 *	44
Miscellaneous Expenses (665)	116,741	47,756	164,497	150,250	45
Rents (666)			0	0	46
Maintenance Supervision and Engineering (670)		2,197	2,197	0	47
Maintenance of Structures and Improvements (671)	84,614	25,000	109,614	86,859 *	48
Maintenance of Distribution Reservoirs and Standpipes (672)	122	1,332	1,454	957	49
Maintenance of Transmission and Distribution Mains (673)	247,916	183,487	431,403	430,518	50
Maintenance of Services (675)	1,828	345	2,173	1,724	51
Maintenance of Meters (676)	28,151	533	28,684	29,472	52
Maintenance of Hydrants (677)	10,529	42,926	53,455	24,227 *	53
Maintenance of Miscellaneous Plant (678)			0	0	54
Total Transmission and Distribution Expenses	693,757	1,009,664	1,703,421	1,087,895	55
CUSTOMER ACCOUNTS EXPENSES					
Supervision (901)	49,870		49,870	44,325	57
Meter Reading Expenses (902)	19,187	16,348	35,535	34,132	58
Customer Records and Collection Expenses (903)	110,471	95,739	206,210	182,127	59
Uncollectible Accounts (904)		1,748	1,748	3,229	60
Miscellaneous Customer Accounts Expenses (905)			0	0	61
Customer Service and Informational Expenses (906)			0	0	62
Total Customer Accounts Expenses	179,528	113,835	293,363	263,813	63
SALES EXPENSES					
Sales Expenses (910)			0	0	65
Total Sales Expenses	0	0	0	0	66
ADMINISTRATIVE AND GENERAL EXPENSES					
Administrative and General Salaries (920)	416,230		416,230	386,181	68
Office Supplies and Expenses (921)		24,450	24,450	23,517	69
Administrative Expenses Transferred--Credit (922)			0	0	70
Outside Services Employed (923)		140,552	140,552	103,290 *	71
Property Insurance (924)		53,859	53,859	49,053	72
Injuries and Damages (925)		58,350	58,350	46,915 *	73
Employee Pensions and Benefits (926)		810,977	810,977	804,025	74
Regulatory Commission Expenses (928)		28,576	28,576	1,143 *	75
Duplicate Charges--Credit (929)			0	0	76
Miscellaneous General Expenses (930)	3,174	30,202	33,376	52,872 *	77
Rents (931)			0	0	78
Maintenance of General Plant (932)		18,151	18,151	16,919	79
Total Administrative and General Expenses	419,404	1,165,117	1,584,521	1,483,915	80

Water Operation & Maintenance Expenses

- g Fully explain each expense account that has a difference between This Year and the previous three year average that is greater than 15 percent and \$10,000 (class AB), 15 percent and \$5,000 (class C), 15 percent and \$1,000 (class D). Include a breakdown of costs that contributed to the difference.
- g Class C and class D report all expenses in Other Expense (column c).

Description (a)	Labor Expense (b)	Other Expense (c)	Total This Year (d)	Last Year (e)	
TOTAL OPERATION AND MAINTENANCE EXPENSES	2,221,835	4,203,482	6,425,317	5,053,854	81

Water Operation & Maintenance Expenses

- g Fully explain each expense account that has a difference between This Year and the previous three year average that is greater than 15 percent and \$10,000 (class AB), 15 percent and \$5,000 (class C), 15 percent and \$1,000 (class D). Include a breakdown of costs that contributed to the difference.
- g Class C and class D report all expenses in Other Expense (column c).

Water Operation & Maintenance Expenses (Page W-05)

Explain all This Year amounts that are more than 15% and \$10,000 higher or lower than the Last Year amount. Please see the help document for examples.

- Acct 613 - increase in 2023 for added additional flow meter to intake pipe.
- Acct 626 - decrease in 2023 due to work on grounds development at pump site and pumping salaries at Park Avenue in prior year.
- Acct 631 - increase in 2023 due to an increase in pumping structures maintenance by SWU staff at Park Avenue.
- Acct 633 - increase in 2023 to maintenance for high lift discharge piping.
- Acct 641 - increase in 2023 due to significant cost increase in treatment chemicals.
- Acct 642 - increase in 2023 due to an increase in water treatment operating costs including a WTP filter study.
- Acct 652 - increase in 2023 to water treatment equipment maintenance including filter #6 media rehabilitation, east and west basin repairs, UV battery backup.
- Acct 664 - increase non-operating expense in 2023 for LSL replacement to be reimbursed in 2024 with DNR SDWLP funds.
- Acct 671 - increase in 2023 due to large maintenance project in upper garage area.
- Acct 677 - increase in 2023 due to an increase in hydrant maintenance and repairs.
- Acct 923 - increase in 2023 due to an increase in IT administration and cybersecurity costs.
- Acct 925 - increase in 2023 due to an increase in worker's comp and liability insurance fees.
- Acct 928 - increase in 2023 due to costs associated with a rate case filed with the PSC.
- Acct 930 - decrease in 2023 due to a decrease in general administrative costs.

Taxes (Acct. 408 - Water)

When allocation of taxes is made between departments, explain method used.

Description of Tax (a)	This Year (b)	Last Year (c)	
Property Tax Equivalent	1,032,426	1,061,884	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department	34,686	32,633	2
Net Property Tax Equivalent	997,740	1,029,251	3
Social Security	156,026	144,765	4
PSC Remainder Assessment	9,369	9,456	5
Town of Sheboygan Property Tax	51	52	6
Total Tax Expense	1,163,186	1,183,524	7

Water Property Tax Equivalent - Detail

- g No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
- g Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
- g The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
- g The utility plant balance first of year should include the gross book values of plant in service (total of utility financed and contributed plant), property held for future use and construction work in progress.
- g An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
- g **Property Tax Equivalent - Total**
 If the municipality has authorized a lower tax equivalent amount, the authorization description and date of the authorization must be included in the notes.

COUNTY: SHEBOYGAN(1)

SUMMARY OF TAX RATES			PROPERTY TAX EQUIVALENT CALCULATION		
1. State Tax Rate	mills	0.000000	12. Local Tax Rate	mills	6.827336
2. County Tax Rate	mills	3.866398	13. Combined School Tax Rate	mills	6.833444
3. Local Tax Rate	mills	6.827336	14. Other Tax Rate - Local	mills	0.000000
4. School Tax Rate	mills	6.242951	15. Total Local & School Tax Rate	mills	13.660780
5. Vocational School Tax Rate	mills	0.590493	16. Total Tax Rate	mills	17.527178
6. Other Tax Rate - Local	mills	0.000000	17. Ratio of Local and School Tax to Total	dec.	0.779406
7. Other Tax Rate - Non-Local	mills	0.000000	18. Total Tax Net of State Credit	mills	16.128525
8. Total Tax Rate	mills	17.527178	19. Net Local and School Tax Rate	mills	12.570662
9. Less: State Credit	mills	1.398653	20. Utility Plant, Jan 1	\$	88,203,542
11. Net Tax Rate	mills	16.128525	21. Materials & Supplies	\$	249,572
			22. Subtotal	\$	88,453,114
			23. Less: Plant Outside Limits	\$	4,031,423
			24. Taxable Assets	\$	84,421,691
			25. Assessment Ratio	dec.	0.972851
			26. Assessed Value	\$	82,129,727
			27. Net Local and School Tax Rate	mills	12.570662
			28. Tax Equiv. Computed for Current Year	\$	1,032,426

PROPERTY TAX EQUIVALENT - TOTAL

PROPERTY TAX EQUIVALENT CALCULATION	
1. Utility Plant, Jan 1	\$ 88,203,542
2. Materials & Supplies	\$ 249,572
3. Subtotal	\$ 88,453,114
4. Less: Plant Outside Limits	\$ 4,031,423
5. Taxable Assets	\$ 84,421,691
6. Assessed Value	\$ 82,129,727
7. Tax Equiv. Computed for Current Year	\$ 1,032,426
8. Tax Equivalent per 1994 PSC Report	\$ 560,533
9. Amount of Lower Tax Equiv. as Authorized by Municipality for Current Year (see notes)	\$
10. Tax Equivalent for Current Year (see notes)	\$ 1,032,426

Water Utility Plant in Service - Plant Financed by Utility or Municipality

- g All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- g Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- g For each account over \$50,000 (class AB) or \$25,000 (class C) or \$10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.
- g The treatment plant accounts have changed since 2008 and that they should confirm the dollar amounts are in the right account.
- g [PSC Uniform System of Accounts](#)

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)	
INTANGIBLE PLANT						1
Organization (301)	0				0	2
Franchises and Consents (302)	0				0	3
Miscellaneous Intangible Plant (303)	0				0	4
Total Intangible Plant	0	0	0	0	0	5
SOURCE OF SUPPLY PLANT						6
Land and Land Rights (310)	0				0	7
Structures and Improvements (311)	0				0	8
Collecting and Impounding Reservoirs (312)	0				0	9
Lake, River and Other Intakes (313)	627,615				627,615	10
Wells and Springs (314)	0				0	11
Supply Mains (316)	0				0	12
Other Water Source Plant (317)	0				0	13
Total Source of Supply Plant	627,615	0	0	0	627,615	14
PUMPING PLANT						15
Land and Land Rights (320)	2,475				2,475	16
Structures and Improvements (321)	2,687,648	1,166			2,688,814	17
Other Power Production Equipment (323)	553,250				553,250	18
Electric Pumping Equipment (325)	2,526,073				2,526,073	19
Diesel Pumping Equipment (326)	0				0	20
Other Pumping Equipment (328)	653,951				653,951	21
Total Pumping Plant	6,423,397	1,166	0	0	6,424,563	22
WATER TREATMENT PLANT						23
Land and Land Rights (330)	13,330				13,330	24
Structures and Improvements (331)	5,067,448				5,067,448	25
Sand or Other Media Filtration Equipment (332)	6,249,505				6,249,505	26
Membrane Filtration Equipment (333)	0				0	27
Other Water Treatment Equipment (334)	1,688,611				1,688,611	28
Total Water Treatment Plant	13,018,894	0	0	0	13,018,894	29
TRANSMISSION AND DISTRIBUTION PLANT						30
Land and Land Rights (340)	359,433	20,456			379,889	31
Structures and Improvements (341)	828,736	21,937			850,673	32
Distribution Reservoirs and Standpipes (342)	6,672,505				6,672,505	33
Transmission and Distribution Mains (343)	32,130,454	1,131,076	7,210		33,254,320 *	34
Services (345)	0				0	35
Meters (346)	4,696,424	191,041	34,030		4,853,435 *	36

Water Utility Plant in Service - Plant Financed by Utility or Municipality

- g All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- g Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- g For each account over \$50,000 (class AB) or \$25,000 (class C) or \$10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.
- g The treatment plant accounts have changed since 2008 and that they should confirm the dollar amounts are in the right account.
- g [PSC Uniform System of Accounts](#)

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)		
Hydrants (348)	2,474,932	56,752	8,420		2,523,264 *	37	
Other Transmission and Distribution Plant (349)	0				0	38	
Total Transmission and Distribution Plant	47,162,484	1,421,262	49,660	0	48,534,086	39	
GENERAL PLANT							40
Land and Land Rights (389)	0				0	41	
Structures and Improvements (390)	588,199	15,150			603,349	42	
Office Furniture and Equipment (391)	81,485	9,906	122		91,269	43	
Computer Equipment (391.1)	207,095	24,034	23,590		207,539	44	
Transportation Equipment (392)	561,109	30,393	38,890		552,612	45	
Stores Equipment (393)	0				0	46	
Tools, Shop and Garage Equipment (394)	270,539	4,392	15,048		259,883	47	
Laboratory Equipment (395)	31,709				31,709	48	
Power Operated Equipment (396)	454,882				454,882	49	
Communication Equipment (397)	60,372				60,372	50	
SCADA Equipment (397.1)	638,951				638,951	51	
Miscellaneous Equipment (398)	0				0	52	
Total General Plant	2,894,341	83,875	77,650	0	2,900,566	53	
Total utility plant in service directly assignable	70,126,731	1,506,303	127,310	0	71,505,724	54	
Common Utility Plant Allocated to Water Department	0				0	55	
TOTAL UTILITY PLANT IN SERVICE	70,126,731	1,506,303	127,310	0	71,505,724	56	

Water Utility Plant in Service - Plant Financed by Utility or Municipality

- g All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- g Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- g For each account over \$50,000 (class AB) or \$25,000 (class C) or \$10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.
- g The treatment plant accounts have changed since 2008 and that they should confirm the dollar amounts are in the right account.
- g [PSC Uniform System of Accounts](#)

Water Utility Plant in Service - Plant Financed by Utility or Municipality (Page W-08)

Additions for one or more accounts exceed \$50,000, please explain. If applicable, provide construction authorization and PSC docket number.

Acct 343 - additions include water main replacement at several locations in the City of Sheboygan.

Acct 346 - additions include meter replacement and addition of radio read units at several locations in the City of Sheboygan.

Acct 348 - additions include hydrant replacement at several locations in the City of Sheboygan.

Water Utility Plant in Service - Plant Financed by Contributions

- g All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- g Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- g For each account over \$50,000 (class AB) or \$25,000 (class C) or \$10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.
- g The treatment plant accounts have changed since 2008 and that they should confirm the dollar amounts are in the right account.
- g [PSC Uniform System of Accounts](#)

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)	
INTANGIBLE PLANT						1
Organization (301)	0				0	2
Franchises and Consents (302)	0				0	3
Miscellaneous Intangible Plant (303)	0				0	4
Total Intangible Plant	0	0	0	0	0	5
SOURCE OF SUPPLY PLANT						6
Land and Land Rights (310)	0				0	7
Structures and Improvements (311)	0				0	8
Collecting and Impounding Reservoirs (312)	0				0	9
Lake, River and Other Intakes (313)	0				0	10
Wells and Springs (314)	0				0	11
Supply Mains (316)	0				0	12
Other Water Source Plant (317)	0				0	13
Total Source of Supply Plant	0	0	0	0	0	14
PUMPING PLANT						15
Land and Land Rights (320)	0				0	16
Structures and Improvements (321)	0				0	17
Other Power Production Equipment (323)	0				0	18
Electric Pumping Equipment (325)	0				0	19
Diesel Pumping Equipment (326)	0				0	20
Other Pumping Equipment (328)	0				0	21
Total Pumping Plant	0	0	0	0	0	22
WATER TREATMENT PLANT						23
Land and Land Rights (330)	0				0	24
Structures and Improvements (331)	298,865				298,865	25
Sand or Other Media Filtration Equipment (332)	94,222				94,222	26
Membrane Filtration Equipment (333)	0				0	27
Other Water Treatment Equipment (334)	201,135				201,135	28
Total Water Treatment Plant	594,222	0	0	0	594,222	29
TRANSMISSION AND DISTRIBUTION PLANT						30
Land and Land Rights (340)	0				0	31
Structures and Improvements (341)	0				0	32
Distribution Reservoirs and Standpipes (342)	0				0	33
Transmission and Distribution Mains (343)	5,404,183				5,404,183	34
Services (345)	0				0	35
Meters (346)	0				0	36

Water Utility Plant in Service - Plant Financed by Contributions

- g All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (e), Adjustments.
- g Explain fully as a footnote the nature of all entries reported in Column (e), Adjustments.
- g For each account over \$50,000 (class AB) or \$25,000 (class C) or \$10,000 (class D), explain in the footnotes section the dollar additions and retirements. If applicable, the footnotes should cite construction authorization, complete with PSC docket number.
- g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount as a schedule footnote.
- g The treatment plant accounts have changed since 2008 and that they should confirm the dollar amounts are in the right account.
- g [PSC Uniform System of Accounts](#)

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	Adjustments Increase or (Decrease) (e)	Balance End of Year (f)	
Hydrants (348)	397,536				397,536	37
Other Transmission and Distribution Plant (349)	0				0	38
Total Transmission and Distribution Plant	5,801,719	0	0	0	5,801,719	39
GENERAL PLANT						40
Land and Land Rights (389)	0				0	41
Structures and Improvements (390)	0				0	42
Office Furniture and Equipment (391)	0				0	43
Computer Equipment (391.1)	0				0	44
Transportation Equipment (392)	0				0	45
Stores Equipment (393)	0				0	46
Tools, Shop and Garage Equipment (394)	0				0	47
Laboratory Equipment (395)	0				0	48
Power Operated Equipment (396)	0				0	49
Communication Equipment (397)	0				0	50
SCADA Equipment (397.1)	0				0	51
Miscellaneous Equipment (398)	0				0	52
Total General Plant	0	0	0	0	0	53
Total utility plant in service directly assignable	6,395,941	0	0	0	6,395,941	54
Common Utility Plant Allocated to Water Department	0				0	55
TOTAL UTILITY PLANT IN SERVICE	6,395,941	0	0	0	6,395,941	56

Water Accumulated Provision for Depreciation - Plant Financed by Utility or Municipality

g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
 g If more than one depreciation rate is used, report the average rate in column (c).
 g Enter depreciation rates in decimal form. For example, enter 6.75% as 0.0675

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Book Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Adjustments Increase or (Decrease) (h)	Balance End of Year (i)	
SOURCE OF SUPPLY PLANT									1
Structures and Improvements (311)	0							0	2
Collecting and Impounding Reservoirs (312)	0							0	3
Lake, River and Other Intakes (313)	485,905	1.70%	10,669					496,574	4
Wells and Springs (314)	0							0	5
Supply Mains (316)	0							0	6
Other Water Source Plant (317)	0							0	7
Total Source of Supply Plant	485,905		10,669	0	0	0	0	496,574	8
PUMPING PLANT									9
Structures and Improvements (321)	1,179,722	3.20%	86,024					1,265,746	10
Other Power Production Equipment (323)	226,231	4.40%	24,343					250,574	11
Electric Pumping Equipment (325)	1,948,117	4.40%	110,048					2,058,165	12
Diesel Pumping Equipment (326)	0							0	13
Other Pumping Equipment (328)	653,951	4.40%						653,951	14
Total Pumping Plant	4,008,021		220,415	0	0	0	0	4,228,436	15
WATER TREATMENT PLANT									16
Structures and Improvements (331)	2,693,180	3.20%	162,158					2,855,338	17
Sand or Other Media Filtration Equipment (332)	3,057,528	3.30%	206,234					3,263,762	18
Membrane Filtration Equipment (333)	0							0	19
Other Water Treatment Equipment (334)	690,054	6.00%	101,317					791,371	20
Total Water Treatment Plant	6,440,762		469,709	0	0	0	0	6,910,471	21
TRANSMISSION AND DISTRIBUTION PLANT									22
Structures and Improvements (341)	622,576	3.20%	26,871					649,447	23
Distribution Reservoirs and Standpipes (342)	1,972,919	1.90%	126,778					2,099,697	24
Transmission and Distribution Mains (343)	6,467,374	1.30%	407,391	7,210				6,867,555	25
Services (345)	0							0	26
Meters (346)	2,690,442	5.50%	262,621	34,030				2,919,033	27

Water Accumulated Provision for Depreciation - Plant Financed by Utility or Municipality

g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
 g If more than one depreciation rate is used, report the average rate in column (c).
 g Enter depreciation rates in decimal form. For example, enter 6.75% as 0.0675

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Book Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Adjustments Increase or (Decrease) (h)	Balance End of Year (i)	
Hydrants (348)	736,654	2.20%	50,879	8,420				779,113	28
Other Transmission and Distribution Plant (349)	0							0	29
Total Transmission and Distribution Plant	12,489,965		874,540	49,660	0	0	0	13,314,845	30
GENERAL PLANT									31
Structures and Improvements (390)	373,977	2.90%	16,988					390,965	32
Office Furniture and Equipment (391)	33,492	5.80%	5,010	122				38,380	33
Computer Equipment (391.1)	189,403	26.70%	17,797	23,590				183,610	34
Transportation Equipment (392)	561,109	13.30%	30,393	38,890				552,612	35
Stores Equipment (393)	0							0	36
Tools, Shop and Garage Equipment (394)	233,916	5.80%	15,382	15,048				234,250	37
Laboratory Equipment (395)	23,624	5.80%	1,839					25,463	38
Power Operated Equipment (396)	283,798	7.50%	34,116					317,914	39
Communication Equipment (397)	60,372	15.00%						60,372	40
SCADA Equipment (397.1)	600,932	9.20%	38,019					638,951	41
Miscellaneous Equipment (398)	0							0	42
Total General Plant	2,360,623		159,544	77,650	0	0	0	2,442,517	43
Total accum. prov. directly assignable	25,785,276		1,734,877	127,310	0	0	0	27,392,843	44
Common Utility Plant Allocated to Water Department	0							0	45
TOTAL ACCUM, PROV, FOR DEPRECIATION	25,785,276		1,734,877	127,310	0	0	0	27,392,843	46

Water Accumulated Provision for Depreciation - Plant Financed by Contributions

g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
 g If more than one depreciation rate is used, report the average rate in column (c).
 g Enter depreciation rates in decimal form. For example, enter 6.75% as 0.0675

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Book Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Adjustments Increase or (Decrease) (h)	Balance End of Year (i)	
SOURCE OF SUPPLY PLANT									1
Structures and Improvements (311)	0							0	2
Collecting and Impounding Reservoirs (312)	0							0	3
Lake, River and Other Intakes (313)	0							0	4
Wells and Springs (314)	0							0	5
Supply Mains (316)	0							0	6
Other Water Source Plant (317)	0							0	7
Total Source of Supply Plant	0		0	0	0	0	0	0	8
PUMPING PLANT									9
Structures and Improvements (321)	0							0	10
Other Power Production Equipment (323)	0							0	11
Electric Pumping Equipment (325)	0							0	12
Diesel Pumping Equipment (326)	0							0	13
Other Pumping Equipment (328)	0							0	14
Total Pumping Plant	0		0	0	0	0	0	0	15
WATER TREATMENT PLANT									16
Structures and Improvements (331)	52,601	3.20%	9,564					62,165	17
Sand or Other Media Filtration Equipment (332)	94,220	3.30%						94,220	18
Membrane Filtration Equipment (333)	0							0	19
Other Water Treatment Equipment (334)	88,988	6.00%	12,068					101,056	20
Total Water Treatment Plant	235,809		21,632	0	0	0	0	257,441	21
TRANSMISSION AND DISTRIBUTION PLANT									22
Structures and Improvements (341)	0							0	23
Distribution Reservoirs and Standpipes (342)	0							0	24
Transmission and Distribution Mains (343)	1,551,919	1.30%	87,865					1,639,784	25
Services (345)	0							0	26
Meters (346)	0							0	26

Water Accumulated Provision for Depreciation - Plant Financed by Contributions

- g Use only the account titles listed. If the utility has subaccounts other than accounts 391.1 and 397.1, combine them into one total and detail by subaccount in a schedule footnote.
- g If more than one depreciation rate is used, report the average rate in column (c).
- g Enter depreciation rates in decimal form. For example, enter 6.75% as 0.0675

Primary Plant Accounts (a)	Balance First of Year (b)	Rate % Used (c)	Accruals During Year (d)	Book Cost of Plant Retired (e)	Cost of Removal (f)	Salvage (g)	Adjustments Increase or (Decrease) (h)	Balance End of Year (i)	
Hydrants (348)	254,383	2.00%	12,847					267,230	28
Other Transmission and Distribution Plant (349)	0							0	29
Total Transmission and Distribution Plant	1,806,302		100,712	0	0	0	0	1,907,014	30
GENERAL PLANT									31
Structures and Improvements (390)	0							0	32
Office Furniture and Equipment (391)	0							0	33
Computer Equipment (391.1)	0							0	34
Transportation Equipment (392)	0							0	35
Stores Equipment (393)	0							0	36
Tools, Shop and Garage Equipment (394)	0							0	37
Laboratory Equipment (395)	0							0	38
Power Operated Equipment (396)	0							0	39
Communication Equipment (397)	0							0	40
SCADA Equipment (397.1)	0							0	41
Miscellaneous Equipment (398)	0							0	42
Total General Plant	0		0	0	0	0	0	0	43
Total accum. prov. directly assignable	2,042,111		122,344	0	0	0	0	2,164,455	44
Common Utility Plant Allocated to Water Department	0							0	45
TOTAL ACCUM, PROV, FOR DEPRECIATION	2,042,111		122,344	0	0	0	0	2,164,455	46

Age of Water Mains

g If asset management, capital improvement, or other infrastructure-related documents are not available, the utility should consult other potential sources of information: the year the utility was formed, year of initial build-out area, year in which new developments, subdivisions, etc. were added. This information can be used to develop estimated figures.

g If pipe diameter value is between those offered in the column, choose the diameter that is closest to the actual value.

g Report all pipe larger than 14" diameter in the 18" category.

Pipe Size (a)	Feet of Main												Total (m)	
	pre-1900 (b)	1901-1920 (c)	1920-1940 (d)	1941-1960 (e)	1961-1970 (f)	1971-1980 (g)	1981-1990 (h)	1991-2000 (i)	2001-2010 (j)	2011-2020 (k)	2021-2030 (l)			
1.000					204								204	1
1.250		185	203										388	2
1.500				140	45								185	3
2.000		85											85	4
3.000		250											250	5
4.000	2,270	16,880	2,679	348	650	1,706				83	18		24,634	6
6.000	53,894	71,266	114,644	79,836	80,197	25,786	4,566	7,205	401	1,362	225		439,382	7
8.000	10,747	14,946	16,482	8,826	14,902	25,028	34,104	34,059	8,242	7,400	939		175,675	8
10.000	6,888	7,316	6,369	9,941	7,067	532	398			4	28		38,543	9
12.000	12,020	19,382	19,007	23,511	26,058	26,284	40,773	26,947	20,003	21,558	7,578		243,121	10
14.000			5,639										5,639	11
16.000	6,351	8,852	3,110	6,226	3,579	6,070	5,814	11,190	11,185	17,549	966		80,892	12
18.000	470					2,658							3,128	13
20.000		9,058		3,778				2,905	2,512	15,222			33,475	14
24.000						8,466		5,468	9,404	4,267			27,605	15
30.000			8,971		7,263	1,191			5,582				23,007	16
36.000							678						678	17
Total	92,640	148,220	177,104	132,606	139,965	97,721	86,333	87,774	57,329	67,445	9,754		1,096,891	18

Describe source of information used to develop data:
Electronic database using mapping software and systems.

Age of Water Mains

- g If asset management, capital improvement, or other infrastructure-related documents are not available, the utility should consult other potential sources of information: the year the utility was formed, year of initial build-out area, year in which new developments, subdivisions, etc. were added. This information can be used to develop estimated figures.
- g If pipe diameter value is between those offered in the column, choose the diameter that is closest to the actual value.
- g Report all pipe larger than 12" diameter in the 12" category.

Age of Water Mains (Page W-13)

General Footnote

Water mains added during 2023 were financed by regular water revenues; new properties within city limits are assessed on street frontage at the rate stated in municipal code; properties outside city limits are assessed on street frontage at the rate stated in municipal code and deferred to the city for payment.

Sources of Water Supply - Statistics

- g For Raw Water Withdrawn, use metered volume of untreated water withdrawn from the source.
- g For Finished Water Pumped, use metered volume of water pumped, adjusted for known meter errors. Describe known meter errors in Notes Section.
- g If Finished Water is not metered, use Raw Water Withdrawn and subtract estimated water used in treatment.

Month (a)	Sources of Water Supply (000's gal)						Total Gallons Entering Distribution System (h)	
	Raw Water Withdrawn		Finished Water Pumped		Purchased Water (Imported)			
	Ground Water (b)	Surface Water (c)	Ground Water (d)	Surface Water (e)	Ground Water (f)	Surface Water (g)		
January		361,303		350,367			350,367	1
February		330,397		320,848			320,848	2
March		372,929		357,427			357,427	3
April		353,722		341,735			341,735	4
May		385,725		375,631			375,631	5
June		427,595		419,360			419,360	6
July		428,557		418,208			418,208	7
August		442,555		430,818			430,818	8
September		403,376		391,254			391,254	9
October		390,202		379,021			379,021	10
November		357,309		342,657			342,657	11
December		330,147		318,003			318,003	12
TOTAL	0	4,583,817	0	4,445,329	0	0	4,445,329	13

Water Audit and Other Statistics

- g Where possible, report actual metered values. If water uses are not metered, estimate values for each line based on best available information. For assistance, refer to AWWA M36 Manual . Water Audits and Loss Control Programs.
- g For unbilled, unmetered gallons (line 16), include water used for system operation and maintenance and water used for non-regulated sewer utility.
- g If gallons estimated due to theft, data, and billing errors is unknown, multiply net gallons entering distribution system (line 3) by .0025.

Description (a)	Value (b)	
WATER AUDIT STATISTICS		1
Finished Water pumped or purchased (000s)	4,445,329	2
Less: Gallons (000s) sold to wholesale customers (exported water)	574,243	3
Subtotal: Net gallons (000s) entering distribution system	3,871,086	4
Less: Gallons (000s) sold to retail customers (billed, metered)	3533026	6
Less: Gallons (000s) sold to retail customers (billed, unmetered)	0	7
Gallons (000s) of Non-Revenue Water	338,060	8
Gallons (000s) of unbilled-metered (including customer use to prevent freezing)	500	9
Gallons (000s) of unbilled-unmetered (including unmetered flushing, fire protection)	15,550	10
Subtotal: Unbilled Authorized Consumption	16,050	11
Total Water Loss	322,010	12
Gallons (000s) estimated due to unauthorized consumption (includes theft) default option	775	14
Gallons (000s) estimated due to data and billing errors	7355	15
Gallons (000s) estimated due to customer meter under-registration	1,548	16
Subtotal Apparent Losses	9,678	17
Gallons (000s) estimated due to reported leakage (mains, services, hydrants, overflows)	17,204	18
Gallons (000s) estimated due to unreported and background leakage	295,128	19
Subtotal Real Losses (leakage)	312,332	20
Non-Revenue Water as percentage of net water supplied	9%	21
Total Water Loss as percentage of net water supplied	8%	22
OTHER STATISTICS		23
Maximum gallons (000s) pumped by all methods in any one day during reporting year	15,876	24
Date of maximum	06/21/2023	25
Cause of maximum		26
Seasonal demand and usage increase		27
Minimum gallons (000s) pumped by all methods in any one day during reporting year	9,294	28
Date of minimum	01/01/2023	29
Total KWH used by the utility (including pumping, treatment facilities and other utility operations)	6,537,351	30
If water is purchased:		31
Vendor Name		32
Point of Delivery		33
Source of purchased water		34
Vendor Name (2)		35
Point of Delivery (2)		36
Source of purchased water (2)		37
Vendor Name (3)		38
Point of Delivery (3)		39
Source of purchased water (3)		40
Number of main breaks repaired this year	12	41
Number of service breaks repaired this year	17	42
Does the utility have an asset management plan?	Yes	4

Water Audit and Other Statistics

- g Where possible, report actual metered values. If water uses are not metered, estimate values for each line based on best available information. For assistance, refer to AWWA M36 Manual . Water Audits and Loss Control Programs.
- g For unbilled, unmetered gallons (line 16), include water used for system operation and maintenance and water used for non-regulated sewer utility.
- g If gallons estimated due to theft, data, and billing errors is unknown, multiply net gallons entering distribution system (line 3) by .0025.

Sources of Water Supply - Well Information

- g Enter characteristics for each of the utility's functional wells (regardless of whether it is ~~in~~ service or not).
- g Do not include abandoned wells on this schedule.
- g All abandoned wells should be retired from the plant accounts and no longer listed in the utility's annual report.
- g Abandoned wells should be permanently filled and sealed per Wisconsin Administrative codes Chapters NR811 and NR812.

- - - THIS SCHEDULE NOT APPLICABLE TO THIS UTILITY- - -

Sources of Water Supply - Intake Information

Description (a)	Distance From Shore (feet) (b)	Depth Below Surface (feet) (c)	Diameter (inches) (d)	
LAKE MICHIGAN 1	2,100	30	36	1
LAKE MICHIGAN 2	5,000	46	30	2

Pumping & Power Equipment

Identification (a)	Location (b)	DNR Well Id (c)	Pump				Pump Motor or Standby Engine					
			Primary Purpose (d)	Primary Destination (e)	Year Installed (f)	Type (g)	Actual Capacity (gpm) (h)	Year Installed (i)	Year Actual Capacity Determined (j)	Type (k)	Horsepower (l)	
EE #1	4200 COUNTY RD OK		Booster	Distribution	2008	Centrifugal	350	2008	350	Electric	20	1
ERIE #1	4024 ERIE AVE		Booster	Distribution	2007	Centrifugal	4,200	2007	4000	Electric	200	2
ERIE #2	4024 ERIE AVE		Booster	Distribution	2007	Centrifugal	4,200	2007	4000	Electric	200	3
ERIE #3	4024 ERIE AVE		Booster	Distribution	2007	Centrifugal	4,200	2007	4000	Electric	200	4
ERIE GENERATOR	4024 ERIE AVE		Standby	Distribution	2007	Other	8,400	2007	8400	Natural Gas	500	5
GEORGIA #3	2935 GEORGIA AVE		Booster	Distribution	1971	Vertical Turbine	1,040	1971	1000	Electric	30	6
GEORGIA #4	2935 GEORGIA		Booster	Distribution	2000	Centrifugal	2,600	2008	2400	Electric	125	7
GEORGIA #5	2935 GEORGIA AVE		Booster	Distribution	2008	Centrifugal	5,000	2008	4800	Electric	200	8
GEORGIA #6	2935 GEORGIA AVE		Booster	Distribution	2019	Centrifugal	5,000	2019	4800	Electric	150	9
GEORGIA GENERATOR	2935 GEORGIA AVE		Standby	Distribution	2019	Other	5,000	2019	5000	Natural Gas	636	10
HIGH LIFT #1	72A PARK AVE HIGH LIFT		Primary	Distribution	1990	Centrifugal	10,069	1990	9999	Electric	700	11
HIGH LIFT #2	72A PARK AVE		Primary	Distribution	1937	Centrifugal	6,380	2005	5486	Electric	400	12
HIGH LIFT #3	72A PARK AVE HIGH LIFT		Primary	Distribution	1951	Centrifugal	6,800	2013	6180	Electric	350	13
HIGH LIFT #3 GAS	72A PARK AVE HIGH LIFT		Standby	Distribution	1951	Centrifugal	6,800	1990	6180	Natural Gas	400	14
HIGH LIFT #4	72A PARK AVE HIGH LIFT		Primary	Distribution	1990	Centrifugal	10,069	2004	9999	Electric	700	15
HIGH LIFT #4 GAS	72A PARK AVE		Standby	Distribution	1990	Centrifugal	10,069	1990	9999	Natural Gas	700	16
HIGH LIFT #5	72A PARK AVE HIGH LIFT		Primary	Distribution	1972	Centrifugal	10,000	2003	8900	Electric	700	17
LOW LIFT #6	72A PARK AVE LOW LIFT		Primary	Treatment	1980	Centrifugal	5,556	1992	5000	Electric	150	18
LOW LIFT #7	72A PARK AVE LOW LIFT		Standby	Treatment	1931	Centrifugal	8,400	1991	8000	Natural Gas	200	19
LOW LIFT #9	72A PARK AVE LOW LIFT		Primary	Treatment	1959	Centrifugal	9,000	2004	8700	Electric	150	20
LOWLIFT #8	72A PARK AVE LOW LIFT		Primary	Treatment	1991	Centrifugal	13,200	1991	9999	Electric	200	21

Pumping & Power Equipment

Identification (a)	Location (b)	DNR Well Id (c)	Primary Purpose (d)	Pump				Pump Motor or Standby Engine				
				Primary Destinatio n (e)	Year Installed (f)	Type (g)	Actual Capacity (gpm) (h)	Year Installed (i)	Year Actual Capacity Determined (j)	Type (k)	Horse- power (l)	
PLANT GENERATOR	72A PARK AVE		Standby	Treatment	1991	Other	9,000	1991	9000	Natural Gas	375	22
WASH PUMP #10	72A PARK AVE WASH PUMP		Primary	Treatment	1959	Centrifugal	5,200	1959	5200	Electric	100	23
WASH PUMP 2 #11	72A PARK AVE WASH PUMP		Standby	Treatment	2013	Centrifugal	8,000	2013	8000	Electric	200	24
WILGUS #1	3169 WILGUS AVE		Booster	Distribution	1986	Centrifugal	250	1986	250	Electric	7	25
WILGUS #2	3169 WILGUS AVE		Booster	Distribution	1986	Centrifugal	650	2006	250	Electric	20	26
WILGUS #2 GAS	3169 WILGUS AVE		Standby	Distribution	1986	Centrifugal	650	2011	250	Natural Gas	30	27
WILGUS #3	3169 WILGUS AVE		Booster	Distribution	1986	Centrifugal	1,500	2011	650	Electric	60	28

Reservoirs, Standpipes and Elevated Tanks

g Enter elevation difference between highest water level in Standpipe or Elevated Tank, (or Reservoir only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Facility Name (a)	Facility ID Site Code (b)	Year Constructed (c)	Type (d)	Primary Material (e)	Elevation Difference in Feet (f)	Total Capacity In Gallons (g)	
EE TOWER	1	1989	Elevated Tank	Steel	146	500,000	1
ERIE - NORTH	4	2007	Reservoir	Concrete	60	3,000,000	2
ERIE - SOUTH	5	2007	Reservoir	Concrete	60	3,000,000	3
GEORGIA AVE STANDPIPE	2	1959	Standpipe	Steel	104	2,000,000	4
Horizon Drive Tower	6	2019	Elevated Tank	Steel	120	600,000	5
TAYLOR	3	1933	Elevated Tank	Steel	54	4,000,000	6

Water Treatment Plant

g Provide a generic description for (a). Do not give specific address of location.
 g Please select all that apply for (d) and (e). If Other is selected please explain in Notes (h).
 g Please identify the point of application for each treatment plant for (g). For example, please list each well or central treatment facility served by this unit.

Unit Description (a)	Year Constructed (b)	Rated Capacity (mgd) (c)	Disinfection (d)	Additional Treatment (e)	Fluoridated (f)	Point of Application (g)	Notes (h)
EE TOWER	1989	500000	x Ultraviolet Light x Liquid Chlorine _ Gas Chlorine _ Ozone _ Other _ None	x Flocculation/Sedimentation x Sand Filtration _ Activated Carbon Filtration _ Membrane Filtration _ Ion Exchange _ Iron/Manganese _ Nitrate Removal _ Radium Removal _ Corrosion _ Other	Yes	Central Facilities	1
ERIE AVE TWIN TANKS	2007	6000000	x Ultraviolet Light x Liquid Chlorine _ Gas Chlorine _ Ozone _ Other _ None	x Flocculation/Sedimentation x Sand Filtration _ Activated Carbon Filtration _ Membrane Filtration _ Ion Exchange _ Iron/Manganese _ Nitrate Removal _ Radium Removal _ Corrosion _ Other	Yes	Central Facilities	2
GEORGIA AVE STANDPIPE	1959	2000000	x Ultraviolet Light x Liquid Chlorine _ Gas Chlorine _ Ozone _ Other _ None	x Flocculation/Sedimentation x Sand Filtration _ Activated Carbon Filtration _ Membrane Filtration _ Ion Exchange _ Iron/Manganese _ Nitrate Removal _ Radium Removal _ Corrosion _ Other	Yes	Central Facilities	3
HORIZON TOWER	2019	600000	x Ultraviolet Light x Liquid Chlorine _ Gas Chlorine _ Ozone _ Other _ None	x Flocculation/Sedimentation x Sand Filtration _ Activated Carbon Filtration _ Membrane Filtration _ Ion Exchange _ Iron/Manganese _ Nitrate Removal _ Radium Removal _ Corrosion _ Other	Yes	Central Facilities	4

Water Treatment Plant

g Provide a generic description for (a). Do not give specific address of location.
 g Please select all that apply for (d) and (e). If Other is selected please explain in Notes (h).
 g Please identify the point of application for each treatment plant for (g). For example, please list each well or central treatment facility served by this unit.

Unit Description (a)	Year Constructed (b)	Rated Capacity (mgd) (c)	Disinfection (d)	Additional Treatment (e)	Fluoridated (f)	Point of Application (g)	Notes (h)
TAYLOR	1933	4000000	x Ultraviolet Light x Liquid Chlorine _ Gas Chlorine _ Ozone _ Other _ None	x Flocculation/Sedimentation x Sand Filtration _ Activated Carbon Filtration _ Membrane Filtration _ Ion Exchange _ Iron/Manganese _ Nitrate Removal _ Radium Removal _ Corrosion _ Other	Yes	Central Facilities	5

Water Mains

- g Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
- g Explain all reported adjustments as a schedule footnote.
- g For main additions reported in column (e), as a schedule footnote:
 Explain how the additions were funded.
 Also report the amount assessed and the feet of main recorded under this method.
 If installed by a developer, explain the basis of recording the cost of the additions, the total amount, and the feet of main recorded under this method.
- g Report all pipe larger than 16" diameter in the 16" category.

Pipe Material (a)	Main Function (b)	Diameter (inches) (c)	Number of Feet			Adjustments Increase or (Decrease) (g)	End of Year (h)	
			First of Year (d)	Added During Year (e)	Retired During Year (f)			
Other Metal	Distribution	1	204				204	1
Other Metal	Distribution	1 1/4	388				388	2
Other Metal	Distribution	1 1/2	185				185	3
Other Plastic	Distribution	2	85				85	4
Other Metal	Distribution	3	250				250	5
Other Metal	Distribution	4	24,537				24,537	6
PVC	Distribution	4	77				77	7
Other Metal	Distribution	6	441,117		2,237		438,880	8
PVC	Distribution	6	249	30			279	9
Other Metal	Distribution	8	169,893				169,893	10
PVC	Distribution	8	1,928	302			2,230	11
Other Metal	Distribution	10	38,515				38,515	12
PVC	Distribution	10	28				28	13
Other Metal	Distribution	12	216,775	351			217,126	14
PVC	Distribution	12	13,798	1,709			15,507	15
Other Metal	Distribution	14	5,639				5,639	16
Other Metal	Distribution	16	77,049	966			78,015	17
PVC	Distribution	16	44				44	18
Other Metal	Distribution	18	3,128				3,128	19
Concrete	Transmission	20	3,430				3,430	20
Other Metal	Distribution	20	29,069				29,069	21
Other Metal	Distribution	24	5,389				5,389	22
Other Metal	Transmission	24	22,216				22,216	23
Other Metal	Distribution	30	9,772				9,772	24
Other Metal	Transmission	30	12,605				12,605	25
Other Metal	Transmission	36	678				678	26
Total Within Municipality			1,077,048	3,358	2,237		1,078,169	27
Other Metal	Distribution	6	210				210	28
Other Metal	Distribution	8	3,552				3,552	29
Other Metal	Distribution	12	10,471				10,471	30
Other Metal	Distribution	16	2,833				2,833	31
PVC	Distribution	20	976				976	32
Other Metal	Transmission	30	680				680	33
Total Outside Municipality			18,722				18,722	34

Water Mains

- g Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
- g Explain all reported adjustments as a schedule footnote.
- g For main additions reported in column (e), as a schedule footnote:
 - Explain how the additions were funded.
 - Also report the amount assessed and the feet of main recorded under this method.
 - If installed by a developer, explain the basis of recording the cost of the additions, the total amount, and the feet of main recorded under this method.
- g Report all pipe larger than 36" diameter in the 48" category.

Pipe Material (a)	Main Function (b)	Diameter (inches) (c)	Number of Feet			Adjustments Increase or (Decrease) (g)	End of Year (h)
			First of Year (d)	Added During Year (e)	Retired During Year (f)		
Total Utility			1,095,770	3,358	2,237	1,096,891	35

Water Mains

- g Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
- g Explain all reported adjustments as a schedule footnote.
- g For main additions reported in column (e), as a schedule footnote:
 - Explain how the additions were funded.
 - Also report the amount assessed and the feet of main recorded under this method.
 - If installed by a developer, explain the basis of recording the cost of the additions, the total amount, and the feet of main recorded under this method.
- g Report all pipe larger than 12" diameter in the 12" category.

Water Mains (Page W-21)

Added During Year total is greater than zero, please explain financing following the criteria listed in the schedule headnotes.

Water mains added during 2023 were financed by regular water revenues; new properties within city limits are assessed on street frontage at the rate stated in municipal code; properties outside city limits are assessed on street frontage at the rate stated in municipal code and deferred to the city for payment.

General Footnote

The Sheboygan Water Utility continues to update water main records into an electronic database using mapping software and systems. The use of mapping tools has enabled the utility to more accurately account for water main in the distribution system. Adjustments, if any, are the result of continued work on this project.

Utility-Owned Water Service Lines

- g The utility's service line is the pipe from the main to and through the curb stop.
- g Explain all reported adjustments as a schedule footnote.
- g Report in column (h) the number of utility-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- g For service lines added during the year in column (d), as a schedule footnote:
 - Explain how the additions were financed.
 - If assessed against property owners, explain the basis of the assessments.
 - If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of service lines recorded under this method.
 - If any were financed by application of Cz-1, provide the total amount recorded and the number of service lines recorded under this method.
- g Report service lines separately by diameter and pipe materials.

Pipe Material (a)	Diameter (inches) (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	NOT in Use at End of Year (h)	
Ductile Iron, Lined (late 1960's to present)	0.500	8			5	13		1
Galvanized	0.500	477		18	(5)	454	18	2
Lead	0.500	45			6	51		3
Copper	0.500	529			68	597		4
Other Plastic	0.500	115			(115)	0		5
Unlined Cast Iron (pre-early 1950's)	0.500	12			2	14		6
PVC	0.500	5			1	6		7
Unknown - May Contain Lead	0.500	1,272		53	(67)	1,152	53	8
Galvanized	0.625	5				5		9
Lead	0.625	4,014		123	(48)	3,843	123	10
Copper	0.625	34			7	41		11
Other Plastic	0.625	87			(87)	0		12
Unlined Cast Iron (pre-early 1950's)	0.625				2	2		13
Unknown - May Contain Lead	0.625	24			(2)	22		14
Ductile Iron, Lined (late 1960's to present)	0.750	12			1	13		15
Galvanized	0.750	3				3		16
Lead	0.750	8			9	17		17
Copper	0.750	6,329			156	6,485		18
Other Plastic	0.750	53			57	110		19
Unlined Cast Iron (pre-early 1950's)	0.750	5			(1)	4		20
Unknown - May Contain Lead	0.750	972			(180)	792		21
Ductile Iron, Lined (late 1960's to present)	1.000	6			7	13		22
Copper	1.000	1,480	1		12	1,493		23
Other Plastic	1.000	100	193		172	465		24
Unlined Cast Iron (pre-early 1950's)	1.000	3				3		25
Unknown - May Contain Lead	1.000	136			(61)	75		26
Ductile Iron, Lined (late 1960's to present)	1.500	3			(1)	2		27
Copper	1.500				1	1		28
Other Plastic	1.500	102				102		29

Utility-Owned Water Service Lines

- g The utility's service line is the pipe from the main to and through the curb stop.
- g Explain all reported adjustments as a schedule footnote.
- g Report in column (h) the number of utility-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- g For service lines added during the year in column (d), as a schedule footnote:
 - Explain how the additions were financed.
 - If assessed against property owners, explain the basis of the assessments.
 - If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of service lines recorded under this method.
 - If any were financed by application of Cz-1, provide the total amount recorded and the number of service lines recorded under this method.
- g Report service lines separately by diameter and pipe materials.

Unlined Cast Iron (pre-early 1950's)	1.500		2	2	30			
Unknown - May Contain Lead	1.500	1		1	31			
Ductile Iron, Lined (late 1960's to present)	2.000	7	4	11	32			
Copper	2.000	1	1	2	33			
Other Plastic	2.000	3	1	4	34			
Unlined Cast Iron (pre-early 1950's)	2.000	2	1	3	35			
Unknown - Does Not Contain Lead	2.000	5		5	36			
Ductile Iron, Lined (late 1960's to present)	2.500	1		1	37			
Ductile Iron, Lined (late 1960's to present)	3.000	2	1	3	38			
Lined Cast Iron (mide-1950's to early 1970)	3.000	2		2	39			
PVC	3.000		3	3	40			
Ductile Iron, Lined (late 1960's to present)	4.000	14		14	41			
Unlined Cast Iron (pre-early 1950's)	4.000	23	(2)	21	42			
Unknown - Does Not Contain Lead	4.000	1		1	43			
Ductile Iron, Lined (late 1960's to present)	6.000	14	(1)	13	44			
Unlined Cast Iron (pre-early 1950's)	6.000	12	(1)	11	45			
PVC	6.000	3		3	46			
Unknown - Does Not Contain Lead	6.000	3	1	4	47			
Ductile Iron, Lined (late 1960's to present)	8.000	28	(5)	23	48			
Unlined Cast Iron (pre-early 1950's)	8.000	8	(2)	6	49			
PVC	8.000	3	(1)	2	50			
Ductile Iron, Lined (late 1960's to present)	10.000	1		1	51			
Unlined Cast Iron (pre-early 1950's)	12.000	4		4	52			
Unlined Cast Iron (pre-early 1950's)	30.000	1		1	53			
Utility Total		15,978	194	194	(59)	15,919	194	54

Utility-Owned Water Service Lines

- g The utility's service line is the pipe from the main to and through the curb stop.
- g Explain all reported adjustments as a schedule footnote.
- g Report in column (h) the number of utility-owned service lines included in columns (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- g For service lines added during the year in column (d), as a schedule footnote:
 - Explain how the additions were financed.
 - If assessed against property owners, explain the basis of the assessments.
 - If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of service lines recorded under this method.
 - If any were financed by application of Cz-1, provide the total amount recorded and the number of service lines recorded under this method.
- g Report service lines separately by diameter and pipe materials.

Utility-Owned Water Service Lines (Page W-22)

Additions are greater than zero AND Additions on both of the Plant in Service schedules (Account 345) are zero, please explain.

The Sheboygan Water Utility does not own any portion of water service lines in the City of Sheboygan. Water service lines from the water main to the meter setting are owned by property owners. Water service lines are not recorded as plant or assets on the utility's financial statements.

Additions are greater than zero, please explain financing by following criteria listed in the schedule headnotes.

Lead water service lines added in 2023 from the water main to the curb stop were financed by Sheboygan Water Utility Lead Water Service Replacement Program using a combination of 50% grant up to \$6,000 and zero interest loans. The amount remaining after the grant may also be paid in full, or in part, by the property owner.

Adjustments are nonzero for one or more accounts, please explain.

The Sheboygan Water Utility does not own any portion of water service lines. Utility staff are working to identify water service line material and diameter. Adjustments are the result of on-going research and updating utility records as materials and/or diameter are identified through various methods. Sheboygan Water Utility made progress in identification of materials in 2023, as well as more accurate reporting of materials by removing duplicate records, and duplicate counts where one lateral feeds several meters.

General Footnote

Water service laterals counted for this report were obtained using utility records, plumber's records, and electronic databases. Because the utility does not own any portion of the lateral, there are a number of them where the material and/or diameter are unknown at this time. As of the date of this report, unknown total 2,058. Sheboygan Water Utility continues to make progress in identifying lateral materials through various methods.

Retirements are greater than zero AND Retirements on both of the Plant in Service schedules (Account 345) are zero, please explain.

The Sheboygan Water Utility does not own any portion of water service lines in the City of Sheboygan. Water service lines from the water main to the meter setting are owned by property owners. Water service lines are not recorded as plant or assets on the utility's financial statements.

Meters

- g Include in Columns (b-f) meters in stock as well as those in service.
- g Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
- g Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections
- g Totals by size in Column (f) should equal same size totals in Column (s).
- g Explain all reported adjustments as schedule footnote.
- g Do not include station meters in the meter inventory used to complete these tables.

Number of Utility-Owned Meters

Classification of All Meters at End of Year by Customers

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjust. Increase or Decrease (e)	End of Year (f)	Tested During Year (g)	Residential (h)	Commercial (i)	Industrial (j)	Public Authority (k)	Multifamily Residential (l)	Irrigation (m)	Wholesale (n)	Inter-Departmental (o)	Utility Use (p)	Additional Meters (q)	In Stock (r)	Total (s)	
3/4	19,037	624	1,178	38	18,521	1,218	17,079	904	53	16	105					47	317	18,521	1
1	404	10	7	(1)	406	7	54	238	25	29	37					11	12	406	2
1 1/2	241		0		241	48	5	79	14	25	79		1			7	31	241	3
2	232		0	2	234	53		73	31	37	55		2			9	27	234	4
3	66		5		61	12		17	9	10	18					3	4	61	5
4	23		2		21	17		3	8	2	1						7	21	6
6	8		0		8	8			7				1					8	7
8	5		0		5	5			3				2					5	8
10	2		0		2	2							2					2	9
Total	20,018	634	1,192	39	19,499	1,370	17,138	1,314	150	119	295		8			77	398	19,499	10

Meters

- g Include in Columns (b-f) meters in stock as well as those in service.
- g Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
- g Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections
- g Totals by size in Column (f) should equal same size totals in Column (s).
- g Explain all reported adjustments as schedule footnote.
- g Do not include station meters in the meter inventory used to complete these tables.

1. Indicate your residential meter replacement schedule:

Meters tested once every 10 years and replaced as needed

All meters replaced within 20 years of installation

Other schedule as approved by PSC

2. Indicate the method(s) used to read customer meters

Manually - inside the premises or remote register (# of meter: 26)

Automatic meter reading (AMR), drive or walk by technology, wand or touchpad (# of meter: 19075)

Advanced Metering Infrastructure (AMI) - fixed network

Other

Meters

- g Include in Columns (b-f) meters in stock as well as those in service.
- g Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
- g Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections
- g Totals by size in Column (f) should equal same size totals in Column (s).
- g Explain all reported adjustments as schedule footnote.
- g Do not include station meters in the meter inventory used to complete these tables.

Meters (Page W-23)

Adjustments are nonzero for one or more meter sizes, please explain.

All adjustments are reclassifications made by the Utility to correct previously reported meter counts and/or inventory counts.

Wisconsin Administrative Code requires that meters 1 1/2 and 2 inches be tested or replaced every 4 years. You did not meet these requirements. Please explain your program for testing and replacing meters.

Remaining untested meters are less than 4 years old, or were tested within the prior 4 year period.

Wisconsin Administrative Code requires that meters 1 inch or smaller be tested every 10 years or replaced every 20 years. You did not meet these requirements. Please explain your program for testing and replacing meters.

Sheboygan Water Utility is on a 20 year meter replacement schedule. Remaining meters are less than 20 years old and not scheduled for replacement.

Wisconsin Administrative Code requires that meters 3 and 4 inches be tested or replaced every 2 years. You did not meet these requirements. Please explain your program for testing and replacing meters.

Remaining untested meters are less than 2 years old, or were tested within the prior 2 year period.

Hydrants and Distribution System Valves

- g Distinguish between fire and flushing hydrants by lead size.
 Fire hydrants normally have a lead size of 6 inches or greater.
 Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
- g Explain all reported adjustments in the schedule footnotes.
- g Report fire hydrants as within or outside the municipal boundaries.
- g Number of hydrants operated during year means: opened and water withdrawn.
- g Number of distribution valves operated during year means: fully opened and closed (exercised).

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire - Outside Municipality	47				47	1
Fire - Within Municipality	2,033	16	14		2,035	2
Total Fire Hydrants	2,080	16	14	0	2,082	3
Flushing Hydrants	0				0	4

NR810.13(2)(a) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of Hydrants operated during year	745
Number of Distribution System Valves end of year	3,308
Number of Distribution Valves operated during Year	524

List of All Station and Wholesale Meters

- g Definition of Station Meter is any meter in service not used to measure customer consumption.
- g Definition of Wholesale Meter is any meter used to measure sales to other utilities.
- g Retail customer meters should not be included in this inventory.

Purpose (a)	Meter Size (inches) (b)	Location or Description (c)	Type (d)	Date of Last Meter Test (e)	
Station Meter	>= 24-inch	High lift (east)	Magnetic	11/08/2022	1
Station Meter	>= 24-inch	High lift (west)	Magnetic	11/08/2022	2
Station Meter	>= 24-inch	Low lift (east/west)	Magnetic	11/08/2022	3
Station Meter	>= 24-inch	Low lift (south)	Magnetic	11/08/2022	4
Wholesale Meter	6	Kohler south 3925 Washington	Turbine	04/13/2023	5
Wholesale Meter	8	Kohler east 3400 Union Ave	Turbine	10/24/2023	6
Wholesale Meter	8	Kohler west 3400 Union Ave	Turbine	10/24/2023	7
Wholesale Meter	10	Kohler north 3207 Erie Ave	Magnetic	11/14/2023	8
Wholesale Meter	10	Sheboygan Falls 927 N Taylor	Turbine	11/14/2023	9

Water Conservation Programs

- g List all water conservation-related expenditures for the reporting year. Include administrative costs, customer outreach and education, other program costs, and payments for rebates and other customer incentives. Do not include leak detection, other water loss program costs.
- g If the Commission has approved conservation program expenses, these should be charged to Account 186. Otherwise, these expenses are reported in Account 906 on Schedule W-05 (Account 691 for class D utilities).

Item Description (a)	Expenditures (b)	Number of Rebates (c)	Water Savings Gallons (d)	
Administrative and General Expenses				1
Program Administration	0	0	0	2
Customer Outreach & Education	0	0	0	3
Other Program Costs	0	0	0	4
Total Administrative and General Expenses	0	0	0	5
Customer Incentives				6
Residential Toilets	0	0	0	7
Multifamily/Commercial Toilets	0	0	0	8
Faucets	0	0	0	9
Showerheads	0	0	0	10
Clothes Washers	0	0	0	11
Dishwashers	0	0	0	12
Smart Irrigation Controller	0	0	0	13
Commercial Pre-Rinse Spray Valves	0	0	0	14
Cost Sharing Projects (Nonresidential Customers)	0	0	0	15
Customer Water Audits	0	0	0	16
Other Incentives	0	0	0	17
Total Customer Incentives	0	0	0	18
TOTAL CONSERVATION	0	0	0	19

Water Customers Served

- g List the number of customer accounts in each municipality for which your utility provides retail general service. Do not include wholesale customers or fire protection accounts.
- g Per Wisconsin state statute, a city, village, town or sanitary district owning water plant or equipment may serve customers outside its corporate limits, including adjoining municipalities. For purposes of this schedule, customers located ~~within~~ ^{within} Muni Boundary ~~A~~ refers to those located inside the jurisdiction that owns the water utility.

Municipality (a)	Customers End of Year (b)	
Sheboygan (City) **	18,981	1
Sheboygan (Town)	9	2
Total - Sheboygan County	18,990	3
Total - Customers Served	18,990	4
Total - Outside Muni Boundary	9	5
Total - Within Muni Boundary **	18,981	6

** = Within municipal boundary

Privately-Owned Water Service Lines

- g The privately owned service line is the pipe from the curb stop to the meter.
- g Explain all reported adjustments in columns(f) as a schedule footnote.
- g Report in column (h) the number of privately-owned service lines included in column (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- g Separate reporting of service lines by diameter and pipe material.

Pipe Material (a)	Diameter (inches) (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Customer Owned Service Laterals Not in Use at End of Year (h)	Replaced During Year Using Financial Assistance from Utility (i)
Ductile Iron, Lined (late 1960's to present)	0.500				11	11		1
Galvanized	0.500	674		21	(12)	641	21	2
Lead	0.500	364			21	385		3
Copper	0.500	518			79	597		4
Other Plastic	0.500	83			(83)	0		5
Unlined Cast Iron (pre-early 1950's)	0.500	18			(5)	13		6
Unknown - May Contain Lead	0.500	736		26	(108)	602	26	7
Ductile Iron, Lined (late 1960's to present)	0.625				2	2		8
Galvanized	0.625	2			1	3		9
Lead	0.625	4,211		146	(41)	4,024	146	10
Copper	0.625	26			17	43		11
Other Plastic	0.625	93			(93)	0		12
Unlined Cast Iron (pre-early 1950's)	0.625	5			(2)	3		13
Unknown - May Contain Lead	0.625	10			(2)	8		14
Ductile Iron, Lined (late 1960's to present)	0.750	12			1	13		15
Galvanized	0.750	30			10	40		16
Lead	0.750	317			19	336		17
Copper	0.750	6,408			164	6,572		18
Other Plastic	0.750	120			45	165		19
Unlined Cast Iron (pre-early 1950's)	0.750	5			(1)	4		20
Unknown - May Contain Lead	0.750	814			(206)	608		21
Ductile Iron, Lined (late 1960's to present)	1.000	6			7	13		22
Galvanized	1.000	1				1		23
Lead	1.000				7	7		24
Copper	1.000	1,031	1		5	1,037		25
Other Plastic	1.000	128	192		163	483		26
Unlined Cast Iron (pre-early 1950's)	1.000	2				2		27
Unknown - May Contain Lead	1.000	123			(57)	66		28
Ductile Iron, Lined (late 1960's to present)	1.500	3			2	5		29
Other Plastic	1.500	97			1	98		30
Unknown - May Contain Lead	1.500	1				1		31

Privately-Owned Water Service Lines

- g The privately owned service line is the pipe from the curb stop to the meter.
- g Explain all reported adjustments in columns(f) as a schedule footnote.
- g Report in column (h) the number of privately-owned service lines included in column (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- g Separate reporting of service lines by diameter and pipe material.

Ductile Iron, Lined (late 1960's to present)	2.000	7		3	10			32	
Copper	2.000	1		1	2			33	
Other Plastic	2.000	3		1	4			34	
Unlined Cast Iron (pre-early 1950's)	2.000	2		1	3			35	
Unknown - Does Not Contain Lead	2.000	5		1	6			36	
Ductile Iron, Lined (late 1960's to present)	2.500	1			1			37	
Ductile Iron, Lined (late 1960's to present)	3.000	2		1	3			38	
Other Plastic	3.000			3	3			39	
Unlined Cast Iron (pre-early 1950's)	3.000	2			2			40	
Ductile Iron, Lined (late 1960's to present)	4.000	14			14			41	
Unlined Cast Iron (pre-early 1950's)	4.000	22		(1)	21			42	
Unknown - Does Not Contain Lead	4.000	1			1			43	
Ductile Iron, Lined (late 1960's to present)	6.000	14		(1)	13			44	
Unlined Cast Iron (pre-early 1950's)	6.000	12		(1)	11			45	
PVC	6.000	3		(1)	2			46	
Unknown - Does Not Contain Lead	6.000	3		1	4			47	
Ductile Iron, Lined (late 1960's to present)	8.000	24		(2)	22			48	
Unlined Cast Iron (pre-early 1950's)	8.000	8		(2)	6			49	
PVC	8.000	2			2			50	
Ductile Iron, Lined (late 1960's to present)	10.000	5		(4)	1			51	
Unlined Cast Iron (pre-early 1950's)	10.000	1		(1)	0			52	
PVC	10.000	3		(3)	0			53	
Unlined Cast Iron (pre-early 1950's)	12.000	4			4			54	
Unlined Cast Iron (pre-early 1950's)	30.000	1			1			55	
Utility Total		15,978	193	193	(59)	15,919	193	193	56

Privately-Owned Water Service Lines

- g The privately owned service line is the pipe from the curb stop to the meter.
- g Explain all reported adjustments in columns(f) as a schedule footnote.
- g Report in column (h) the number of privately-owned service lines included in column (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
- g Separate reporting of service lines by diameter and pipe material.

Privately-Owned Water Service Lines (Page W-29)

General Footnote

The Sheboygan Water Utility does not own any portion of water service laterals in the City of Sheboygan. Property owners own the full length of water service laterals from the water main to the meter setting. Replacement of water service laterals that are not lead or galvanized are paid for by the property owner. Water service laterals that are lead or galvanized are funded by Sheboygan Water Utility Lead Water Service Lateral Replacement Program through a combination of 50% grant up to \$6,000 and zero interest loans. Sheboygan Water Utility applies annually to the DNR Safe Drinking Water Loan Program for grant and/or loan funds in varying amounts to help fund lead and galvanized lateral replacement.

Utility staff are working to identify water service lateral material and diameter. Since Sheboygan Water Utility does not own any portion of the water service lateral, identification is challenging and will take several years. Adjustments are the result of on-going research and updating utility records as materials and diameter are identified through various methods. Sheboygan Water Utility made progress in identification of materials in 2023, as well as more accurate reporting of materials by removing duplicate records, and duplicate counts where one lateral feeds several meters.

Water service laterals counted for this report were obtained using utility records, plumber's records, and electronic databases. Because the utility does not own any portion of the lateral, there are a number of them where the material and/or diameter are unknown at this time. As of the date of this report, unknown total 1,296.

Water Residential Customer Data – Disconnection, Arrears, and Tax Roll

- g For disconnection notices sent to residential customers for non-payment, report only the 10-day disconnection notice (e.g., printed on bill, separate mailed notice, etc.) for residential customers, and do not count subsequent reminders, such as 5-day notices, door tags or other personal contact attempts.
- g For residential customers, include any account that includes a service being used primarily for residential living, including multifamily residential.
- g For residential arrears, include billed amounts past due and unpaid.

	Description (a)	Amount (b)
Disconnection Notices		
1.	Total number of disconnection notices sent to residential customers for non-payment as of March 31	311
2.	Total number of disconnection notices sent to residential customers for non-payment as of June 30	365
3.	Total number of disconnection notices sent to residential customers for non-payment as of September 30	405
4.	Total number of disconnection notices sent to residential customers for non-payment as of December 31	16
Disconnections		
1.	Total number of residential disconnections of service performed for non-payment as of March 31	30
2.	Total number of residential disconnections of service performed for non-payment as of June 30	49
3.	Total number of residential disconnections of service performed for non-payment as of September 30	57
4.	Total number of residential disconnections of service performed for non-payment as of December 31	7
Arrears (Customers)		
1.	Total number of residential customers with arrears as of March 31	1,601
2.	Total number of residential customers with arrears as of June 30	1,248
3.	Total number of residential customers with arrears as of September 30	1,290
4.	Total number of residential customers with arrears as of December 31	1,491
Arrears (Dollar Amounts)		
1.	Total dollar amount of residential customer arrears as of March 31	73,027
2.	Total dollar amount of residential customer arrears as of June 30	65,850
3.	Total dollar amount of residential customer arrears as of September 30	73,854
4.	Total dollar amount of residential customer arrears as of December 31	66,084
Tax Roll		
1.	Total number of residential customers with arrears placed on the tax roll	1,136
2.	Total dollar amount of residential arrears placed on the tax roll	97,881
	Footnotes	No

CITY OF SHEBOYGAN
R. O. _____

BY BOARD OF WATER COMMISSIONERS.

APRIL 29, 2024

R. O. No. _____ By BOARD OF WATER COMMISSIONERS.

We, hereby, submit the Board of Water Commissioners' Report on the Water Utility for the first quarter of 2024.

The water pumpage decreased 3.24% from the same period in 2023. 995,348,000 gallons were pumped in the first quarter 2024, compared to 1,028,642,000 in 2023.

Year to date Operating Revenue at the end of the first quarter 2024 decreased by \$54,876 compared to year to date 2023. The net income for the Utility, as of the end of March, 2024 is (\$8,035). Details are shown on the attached Income Statement and Balance Sheet.

Construction-Maintenance:

Construction-maintenance work by the Water Utility during the first quarter of 2024:

Number of feet of 4 inch water main installed	0.0
Number of feet of 6 inch hydrant lead installed	0.0
Number of feet of 6 inch water main installed	0.0
Number of feet of 8 inch water main installed	0.0
Number of feet of 10 inch water main installed	0.0
Number of feet of 12 inch water main installed	0.0
Number of feet of 16 inch water main installed	0.0
Number of feet of 20 inch water main installed	0.0
Number of feet of 24 inch water main installed	0.0
Number of feet of water main abandoned or removed.....	0.0
Number of water main breaks repaired	7
Number of fire hydrants installed, replaced, relocated, removed, flushed, or major repairs made....	4
Number of water main valves installed, repaired, removed, or replaced	117
Number of water service connections installed	6

Details are shown on the attached spreadsheets.

Other Utility Business:

The Utility's new raw water intake pipeline and pumping station reached its initial testing phases. Water was drawn through the new intake pipeline and delivered to the water treatment plant. Performance was good and incoming water was much less turbid than on the prior intake pipelines. The Utility added a mini-excavator to its equipment line-up for routine and emergency projects. WI PSC conducted a public rate hearing and subsequently authorized new water rates to go into effect.

Attachments - Distribution System Quarterly Report
Operations Quarterly Report
Balance Sheet
Income Statement



Distribution System -- 1st Quarter - January, February, & March 2024

Street Valves and Hydrant Valves Installed (including water main projects and others)

Location	Date Installed	Size ("), Jt	Installed By	Type
----------	----------------	--------------	--------------	------

Total Valves Installed = 0

Street Valves and Hydrant Valves Removed

Location	Installed	Abandoned	Type
----------	-----------	-----------	------

Total Valves Removed = 0

Street Valves and Hydrant Valves Abandoned

Location	Installed	Abandoned
----------	-----------	-----------

Total Valves Abandoned = 0

Street Valves and Hydrant Valves Maintained

Location	Maintained	Size	By
----------	------------	------	----

Total Valves Maintained = 0

Hydrants Installed (including water main projects and others)

Location	Installed	Tr Size	Valve
N. 18th St. at Ontario Ave. (East)	2/22/2024	7"	n
Kentucky Ave. at S. 11th St. (SE)	3/19/2024	6'6"	n

Total Hydrants Installed = 2

Hydrants Removed (including water main projects and others)

Location	Installed	Removed	Hyd Valve?
N. 18th St. at Ontario Ave. (E)		2/22/2024	n
Kentucky Ave. at S. 11th St. (SE)	10/14/1994	3/19/2024	n

Total Hydrants Removed = 2

Hydrants Abandoned (including water main projects and others)

Location	Installed	Abandoned	Tr Size	Hyd Valve?
----------	-----------	-----------	---------	------------

Total Hydrants Abandoned = 0

Hydrants Maintained/Moved (including water main projects and others)

Location	Installed	Maintained
----------	-----------	------------

Total Hydrants Maintained/Moved = 0

Water Main Breaks

Location	Date	Size
2420 N. 7th St.	1/18/2024	6"
1602 Huron Ave	1/19/2024	4"
2026 New Jersey Ave	1/19/2024	12"
2521 Saemann Ave	1/23/2024	6"
3112 S. 9th St.	2/2/2024	6"
2004 N. 4th St.	2/9/2024	6"
2506 S. 16th St.	2/12/2024	6"

Number of Water Main Breaks=7



SUMMARY

Number of feet of 4 inch water main installed	0.0	water main
Number of feet of 6 inch hydrant lead installed	0.0	
Number of feet of 6 inch water main installed	0.0	
Number of feet of 8 inch water main installed	0.0	
Number of feet of 12 inch water main installed	0.0	
Number of feet of 16 inch water main installed	0.0	
Number of feet of 20 inch water main installed	0.0	
Number of feet of 24 inch water main installed	0.0	
Number of feet of water main abandoned or removed	0.0	
Number of water main breaks repaired	7	
Number of hydrants installed	2	hydrants
Number of hydrants removed or abandoned	2	
Number of hydrants maintained or moved	0	
Number of street valves installed	0	valves
Number of hydrant valves installed	0	
Number of street valves removed or abandoned	0	
Number of hydrant valves removed or abandoned	0	
Number of valves maintained	117	
Number of water connections installed	6	

HIGH LIFT DELIVERY QUARTERLY REPORT 2024				
I. FIRST QUARTER		Jan - Feb - Mar		
		GALLONS	COST \$	\$/MG
	2023	1,028,642,000	\$290,526.13	\$282.44
	2024	995,348,000	\$277,403.58	\$278.70
	Percent Difference	-3.24%	-4.52%	-1.32%
II. SECOND QUARTER		Apr - May - Jun		
		GALLONS	COST \$	\$/MG
	2023	1,136,726,000	\$286,793.50	\$252.30
	2024	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
III. THIRD QUARTER		Jul - Aug - Sep		
		GALLONS	COST \$	\$/MG
	2023	1,240,280,000	\$306,280.54	\$246.94
	2024	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
IV. FOURTH QUARTER		Oct - Nov - Dec		
		GALLONS	COST \$	\$/MG
	2023	1,039,681,000	\$274,137.72	\$263.67
	2024	0	\$0.00	#DIV/0!
	Percent Difference	-100.00%	-100.00%	#DIV/0!
YEAR TO DATE : 2024				
		GALLONS	COST \$	\$/MG
ELECTRICITY CHEMICALS NATURAL GAS	2023	4,445,329,000	\$1,157,737.89	\$260.44
	2024	995,348,000	\$277,403.58	\$278.70
	Percent Difference	-77.61%	-76.04%	7.01%
YEAR TO DATE : 2024				
SLUDGE DISPOSAL to WWTP		GALLONS	COST \$	
	2023	4,838,061	\$62,503.75	
	2024	497,650	\$6,385.57	
	Percent Difference	-89.71%	-89.78%	
STORM WATER CHARGES	2024	NA	\$0.00	
HIGH LIFT SYSTEM DELIVERY :				
	Maximum Pumpage Day	12,648,000	January 15, 2024	
	Minimum Pumpage Day	8,349,000	January 1, 2024	

	MG	\$	\$/MG
2023	4,445,329,000	\$1,157,737.89	\$260.44
2024	995,348,000	\$277,403.58	\$278.70

NOTE: Monthly sludge disposal costs do not reflect the current actual monthly sludge discharge total to date.
 Filtrate discharges from Spring/Fall sludge disposal operations are included in 2023 treatment plant sludge disposal costs.
 Spring/Fall basin sludge/residual solids volumes and disposal costs are contract work.
 Sludge disposal costs are not included in \$/MG.



Sheboygan Water Utility
Quarterly Financial Statement - March 31, 2024
Balance Sheet Including Net Income

<u>Account #</u>	<u>Debit Balance</u>	<u>Credit Balance</u>
Utility Plant in Service	78,168,060	
107 Construction Work in Progress	44,891,532	
111 Accumulated Provision for Depreciation of Utility Plant		29,991,209
125 Bond Redemption Fund	612,360	
129 Appropriated Funds Invested for Plant Expansion & Payables	289,340	
126 Depreciation Fund	0	
128 Other Special Funds - Net Pension Asset	0	
128 Other Special Funds - Health Ins	0	
130 Other Special Funds - Deferred Outflow Pension	2,648,031	
135 Working Funds	750	
136 Temporary Cash Investments	8,494,975	
142 Customer Accounts Receivable	1,266,863	
143 Grant Receivable & Other Accounts Receivable	668,707	
145 Receivables from Municipality	222,968	
154 Materials and Supplies	233,974	
163 Stores Expense	0	
165 Prepayments	52,488	
171 Interest and Dividends Receivable	0	
181 Misc Deferred Debits	0	
184 Transportation Expense	0	
200 Capital Paid in by Municipality		1,640,701
216 Unappropriated Earned Surplus		61,689,601
221 Long Term Debt Bonds		39,600,259
223 Advances from Municipality		72,871
232 Accounts Payable		0
235 Customer Deposits		81
236 Taxes Accrued		774,318
237 Interest Payable on Bonds		267,808
242 Misc. Current & Accrued Liab		20,907
251 Bond Premium		125,152
252 Unearned Revenue		270,987
253 Misc Deferred Credits		0
265 Accrued Employee Benefits		735,414
425 Amoritization of Pre 2003 Depreciation		0
280 Net Pension Liability		835,240
285 Deferred Inflow - Pension		1,533,534
Utility Net Income		(8,035)
	<u>137,550,049</u>	<u>137,550,049</u>



Sheboygan Water Utility
Sheboygan, Wisconsin
Income Statement - March 31, 2024

<u>Account #</u>	<u>Utility Operating Income</u>	1-Jan-24 to 31-Mar-24	1-Jan-23 to 31-Mar-23	Increase or (Decrease)
400	Sales Revenue	2,011,038	2,064,044	(53,006)
474	Other Water Revenue	10,272	12,143	(1,871)
	Total Operating Revenue	2,021,310	2,076,186	(54,876)
401	Operating Expenses	1,093,735	1,028,933	64,801
402	Maintenance Expenses	224,292	250,358	(26,065)
403	Depreciation Expenses	392,740	412,956	(20,217)
402	Taxes	239,663	250,229	(10,567)
	Total Operating Expenses	1,950,429	1,942,476	7,954
	Utility Operating Income	70,881	133,711	(62,830)
	<u>Other Income & Expense</u>			
415	Non-operating Grant Revenue	-	29,036	(29,036)
416	Non-operating Grant Expense	-	(29,036)	29,036
419	Interest Earned on Investments	55,675	17,448	38,228
421	Contributions	-	-	0
425	Misc Amortization	-	6,283	(6,283)
427	Bond Interest Expense	(142,808)	(269,072)	126,264
428	Other Expense	-	-	0
429	Bond Premium	8,218	8,218	0
	Net Income	(8,035)	(103,412)	95,378



Municipal Advisory Agreement City of Sheboygan Water Utility, Wisconsin

\$411,593 Taxable Water System Revenue Bonds Series 2024 for LSL Replacements

Wisconsin Public Finance Professionals, LLC (“WPPF”) is a “municipal advisor” as defined by the Securities and Exchange Commission (“SEC”) Final Rule adopted September 18, 2013. WPPF is registered and regulated by the SEC and the Municipal Securities Rulemaking Board (“MSRB”). The City of Sheboygan (the “City”) Water Utility Board of Commissioners (the “Commissioners”) hereby retains WPPF to serve as its “Municipal Advisor” in accordance with the terms and conditions of this Municipal Advisory Agreement (“Agreement”) effective the date of execution (the “Effective Date”). As Municipal Advisor, WPPF has fiduciary duties, including a duty of care and a duty of loyalty and is required to act in the City’s best interests without regard to its own financial and other interests.

MSRB Rule G-10 and G-42 Notifications, Disclosures of Conflicts of Interest and Other Information

As a Municipal Advisor registered with the MSRB and the SEC, WPPF is required to provide certain notifications, disclosures and information to the City, in writing, no less than once each calendar year. Included on the last page of the Agreement are notifications and disclosures in accordance with MSRB Rule G-10 regarding a brochure available on the MSRB’s website at www.msrb.org that describes the protections available under MSRB rules and how to file a complaint with an appropriate regulatory authority; and, disclosures in accordance with MSRB Rule G-42 related to conflicts of interest and other information. All municipal advisory services are performed by employees of WPPF. WPPF has no relationships with other firms, or employees of the City, that could present a real or perceived conflict of interest. Carol Ann Wirth is the responsible party for WPPF in its relationship with the City.

Scope of Municipal Advisory Services

WPPF is engaged by the City as its Municipal Advisor to provide certain services with respect to the State of Wisconsin’s Safe Drinking Water Loan for its lead service line replacement program (the “LSL Project”). The Safe Drinking Water Loan (“SDW Loan”) will be an approximately \$411,593 taxable water system revenue bond, series 2024, issued to the State of Wisconsin as a “direct borrowing” and not a municipal security. The Safe Drinking Water Loan Program is part of the Wisconsin Environmental Improvement Fund, a state revolving loan fund that combines federal capitalization grants with state funding to provide affordable financial assistance to municipalities.

(a) Services to be provided:

1. Attend meetings as requested by the Commissioners and/or the City
2. Review amortization period for SDW Loan to accommodate goals of the LSL Project
3. Review SDW Loan documents prepared by Bond Counsel and the State of Wisconsin Department of Administration

4. Verify coverage calculations for existing water utility revenue bonds and the SDW Loan
5. Coordinate information requests from Wisconsin Department of Administration (“DOA”), Department of Natural Resources (“DNR”), Commissioners, and the City.
6. Coordinate timeline with the Commissioners, the City, DOA, DNR and Bond Counsel for the preparation and adoption of Authorizing Resolution by Common Council
7. Coordinate and assist with execution of SDW Loan documents
8. Provide on-going assistance to the Commissioners, as requested, throughout the lending process and through closing of the SDW Loan.

(b) Limitations on Scope of Municipal Advisory Services. The Scope of Municipal Advisory Services is subject to the following limitations:

(i) The scope of services is limited solely to the services described herein and is subject to any limitations set forth within the description of the Scope of Municipal Advisory Services.

(ii) The Scope of Municipal Advisory Services does not include tax, legal, accounting or engineering advice with respect to the SDW Loan or in connection with any opinion or certificate rendered by counsel or any other person at closing; and, does not include review or advice on any feasibility study.

(iii) WFPF’s review of certain general factual information does not involve a recommendation particularized to specific needs, objectives or circumstances of any specific municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, and is not intended to be regarded as “advice” within the meaning of the SEC Exchange Act Rule 15Ba1-1(d)(1)(ii) or MSRB Rule G-42.

(c) Amendment to Scope of Municipal Advisory Services

The Scope of Municipal Advisory Services may be changed only by written amendment or supplement to the Scope of Municipal Advisory Services described herein. The parties agree to amend or supplement the Scope of Municipal Advisory Services described herein promptly to reflect any material changes or additions to the Scope of Municipal Advisory Services

Compensation - Fees and Expenses

WFPF fee for services performed under this Agreement shall be \$2,800. WFPF’s fee includes all necessary in-state travel and general out-of-pocket expenses. WFPF’s fee is due and payable upon the closing of the SDW Loan.

Term of this Engagement

The term of this Agreement begins on the date executed below and ends, unless earlier terminated as provided below, on December 31, 2024. This Agreement may be terminated with or without cause by either party upon the giving of at least sixty (60) days’ prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination. In the event of termination, WFPF shall be paid in full for any services performed to the date of that termination at the normal hourly rates (\$195/hour professional staff, \$95/hour support staff), for time actually spent. WFPF may not assign this Agreement without the Commissioner’s prior written consent. The laws of the State of Wisconsin shall apply to this Agreement.

Limitation of Liability/Insurance

In the absence of intentional misconduct, bad faith, or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor, and except for claims for damages covered under WPPF's professional general liability insurance policy required under this Agreement, Municipal Advisor shall have no liability to City for damages for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any financial or other damages resulting from City's election to act or not to act, as the case may be, contrary to any municipal advisory services provided by Municipal Advisor to the City. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of City arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with the SDW Loan or otherwise relating to the tax treatment of the SDW Loan, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by the City of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived, nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to City under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

WPPF maintains professional general liability insurance in the amount of \$1,000,000 per occurrence.

Authority

The undersigned represents and warrants that he/she has full legal authority to execute this Agreement on behalf of the City / Commissioners. The following individual has the authority to direct WPPF's performance of its activities under this Agreement: Joe Trueblood, Superintendent.

WISCONSIN PUBLIC FINANCE
PROFESSIONALS, LLC

By *Carol Ann Smith*

CITY OF SHEBOYGAN WATER UTILITY
BOARD OF COMMISSIONERS

By: _____

Title: _____

Date: _____

Cc: Meredith DeBruin, City Clerk
Kaitlyn Krueger, Finance Director

Wisconsin Public Finance Professionals, LLC

MSRB Rule G-10 Disclosure - Notifications

- Wisconsin Public Finance Professionals, LLC (“WPFP”) is a Municipal Advisor registered with the Municipal Securities Rulemaking Board (“MSRB”) and the Securities and Exchange Commission (“SEC”).
- The MSRB’s website address is as follows: www.msrb.org.
- A brochure is available on the MSRB website that describes protections available under MSRB rules and how to file a complaint with an appropriate regulatory authority.

MSRB Rule G-42 Disclosure

1. Wisconsin Public Finance Professionals, LLC (“WPFP”) is an MSRB Registered Municipal Advisor that conducts all municipal advisory activities subject to the fiduciary standards of conduct.
2. The Form MA of WPFP along with the most recent Form MA-I for each MSRB associated person is posted in the Edgar Database located on the US Securities and Exchange Commission website (www.sec.gov/help/foia-docs-muniadvisorshtm.html) select EDGAR Company filings webpage, searching under the name “Wisconsin Public Finance Professionals, LLC.” If you require a hard-copy of any of these forms, please send a written request to the Firm’s Chief Compliance Officer’s attention at the address below.
3. To the best of our knowledge and belief, neither WPFP nor any associated person has any material undisclosed conflict of interest.
 - A. WPFP has no financial interest in, nor does WPFP receive any undisclosed compensation from, any firm or person that WPFP may use in providing any advice, service, or product to or on behalf of any WPFP client.
 - B. WPFP may pay contracted MSRB registered solicitors or other MSRB Registered Municipal Advisors directly or indirectly in order to obtain or retain an engagement to perform municipal advisory services for any municipal entity.
 - C. WPFP does not receive any payments from a third party to enlist WPFP’s recommendation of services, municipal securities transactions, or any municipal financial product or service.
 - D. WPFP does not have any undisclosed fee-splitting arrangements with any provider of investments or services to any municipal entity.
 - E. WPFP does not have any conflicts of interest arising from compensation for municipal activities to be performed that are contingent on the size or closing of any transaction for which WPFP is providing advice.
 - F. There is no other actual or potential conflict of interest that could reasonably be anticipated to impair WPFP’s ability to provide advice to any municipal entity in accordance with the standards of fiduciary conduct.
4. WPFP, “the Firm” nor any of its Associated Persons are not currently subject to or have been subject to any legal or disciplinary event that could be material to a client’s evaluation of the Firm or the integrity of its management or Associated Persons.

Wisconsin Public Finance Professionals, LLC
 155 South Executive Drive, Suite 211
 Brookfield, WI 53005



Sheboygan Water Utility

Employee Portal

July 10, 2023

#6055

Overview

Sheboygan Water Utility has requested an estimate from Dynamic to develop an employee portal. The scope of work would include building an employee intranet portal on the existing Sheboygan Water Utility website.

Dynamic Solution

Dynamic will develop an internal website to function as the company's intranet. The website will be password-protected and restricted to current employees and will provide information such as onboarding, HR, and field data. To streamline the project scope, the website will adopt the look and feel, as well as the code base, of the main website.

Web Project Deliverables

Dynamic will work with you throughout the project by involving you in the review and feedback process for each phase. Each phase will include one round of revisions before final approval is received and progress is made to the next phase. If changes requested in a subsequent phase alter previously approved changes, a change order will be required and submitted for approval.

The project will be divided into six phases:

Phase 1: Discover

Dynamic will determine your business and project objectives through a series of intake meetings with the client's team and key stakeholders. The result of this phase will be a project scope document, which includes the notes of the Discovery session(s), and will include a project timeline along with any technical requirements.

Phase 2: Define

In the Define phase, Dynamic will shape the findings from Discovery into a cohesive, actionable plan for your new website. A content strategy will be developed based on the Discovery session and desired message direction, with a plan and goal for each page of the website. Dynamic will create a sitemap and wireframes for the site structure and how content will be organized.

Phase 3: Design

With the approved sitemap and wireframes in hand, Dynamic will create 2 concepts for the website user experience. After a design concept is chosen, the design team will create the remaining unique interior pages and mobile experience. All design elements will be in line with the current style guide.

Phase 4: Develop

The Development stage is where all components come together to build the brand experience. The development team at Dynamic will take the approved wireframes and visual design and begin building the solution using HTML, CSS, Javascript, PHP, and MySQL technologies. Dynamic will perform QA testing throughout the build process to ensure a quality solution has been met.

Phase 5: Deploy

Dynamic will deploy the website code, content, and assets to the production server for launch. Once the site is launched, the client has five business days to check for inconsistencies, errors, and possible bugs. These bug fixes are included in the original scope of work.

Phase 6: Demonstrate

Dynamic will facilitate a client team CMS training. This is a 2-hour session two weeks post-launch. Follow-up sessions (2, 1-hour sessions) will be provided as refresher discussions and/or phone consultations as needed.

After approximately 3 months post-launch, Dynamic will conduct a website audit to measure the performance of the key performance indicators discussed during the Define phase.





Scope of the Project

General Website Build

The project's scope involves building a general site with various page types in the CMS, including a flexible layout homepage, a blog for articles, a block page, and a site search feature. Content blocks are also included, which can be used to assemble pages using different types of media, such as YouTube, Vimeo, image slideshows, and embedded code from third-party sources.

Employee Sign In

The new intranet website will be password protected, requiring employees to log in prior to viewing any pages on the website. Sheboygan Water will be able to add and remove employee accounts in the CMS. This will also prevent the website from being indexed by search engines.

For additional security, Dynamic will install two-factor authentication for the portal login. This can be set as an opt-in for each employee account, or enforced across all accounts by the website administrators.

Site Search

The website's site search will be powered via a general full-text search

Website Hosting

Dynamic would provide hosting for the Sheboygan Water Utility Employee Portal site.

If the need arises, Dynamic would be able to easily move the site to a different hosting option.

Basic Hosting

- Cost: \$50/month agreement (\$600/yr) OR \$550 annual agreement (1 month free)
- Requirements: website must be built using PHP
- Good for small-sized, low-traffic website

Shared, managed hosting on a cloud server. Your website will be hosted on one of our high-performance servers, at a fraction of the price of a dedicated server. Perfect for small business websites that have low traffic and don't require substantial resources.

Basic hosting sites are managed and monitored by one of our partners, providing security patches and uptime monitoring 24/7.

Features

- Daily backups
- Uptime monitoring

Code Guard

At Dynamic, we are devoted to providing tremendous business value to all of our customers and look forward to the opportunity to strategically partner with you long-term. Code Guard is Dynamic's website service to keep your website up-to-date with security patches and incremental framework upgrades. Your assigned account executive will send an email notification of any security or CMS upgrades prior to and once deployed.

Security Updates

With SilverStripe, security patches are incremental and we take care of keeping your site up to date with these releases. With the addition of the Code Guard Agreement, we will implement these on your behalf at no additional charge.

CMS Upgrades

We will keep your website up to date with the latest minor version of the SilverStripe CMS. Any major releases (e.g. SilverStripe 4 to 5) will be quoted outside of this agreement.

Custom Code Support

We will resolve issues related to custom code, security patches, and incremental framework upgrades.

Focus on improvements, not maintenance

The launch of your website is just the beginning. Care and attention are needed to ensure it continues to run smoothly and is up-to-date. Upgrades and patches need to be implemented to prevent vulnerability to attacks and compatibility issues.

Monthly Code Guard Services

This agreement includes services that Dynamic will provide and security updates as needed.

Terms

This agreement shall cover a one (1) year period from the acceptance date. This agreement shall automatically renew unless either party provides notice to the other of its intent to terminate this agreement not less than thirty (30) days before the end of the then-current term.



10% OFF

Sheboygan Water Utility - Employee Portal - 6055

SUBTOTAL ~~\$9,946.00~~
\$8,946.00

Selected

Description	Item	Price
Discover	\$1,085.00	\$1,085.00
Define	\$1,715.00	\$1,715.00
Design	\$2,100.00	\$2,100.00
Develop	\$3,360.00	\$3,360.00
Deploy	\$840.00	\$840.00
Demonstrate	\$840.00	\$840.00

Assumptions and Dependencies

- Client provides all copy, video, and photography
- The site will use the theme created for the main Sheboygan Water Utility website during the redesign.
- The estimate does not include ongoing support but you can select our maintenance support, Code Guard.

Employee Portal Website Hosting - 6071

SUBTOTAL
\$600.00

Selected

Description	Item	Quantity	Price
Intranet Website Hosting	\$50.00	12 months	\$600.00

One month free with annual billing

Employee Portal Code Guard - 6072

SUBTOTAL
\$1,200.00

Selected

Description	Item	Quantity	Price
Code Guard	\$100.00	12 months	\$1,200.00

Total Discount - \$994.00

Total \$10,746.00

APPROVAL

The signatories below are authorized personnel and have assessed or consulted with the appointed company agent to assess the attached documentation that makes up the comprehensive statement of work to be performed. Any deviation from this Scope will be discussed between the two parties to determine if a Change Order is needed. If that proves to be necessary, a written Change Order will be issued for the signature of both parties.



Contact: Tamara Scheuren

Project: Employee Portal

#s 6055, 6071, & 6072

Accept

Item 9.

Accept


+ TERMS AND CONDITIONS

Bemis "Made in the USA" Recruitment Campaign

 Mike 30
Dynamic, Inc

00:30

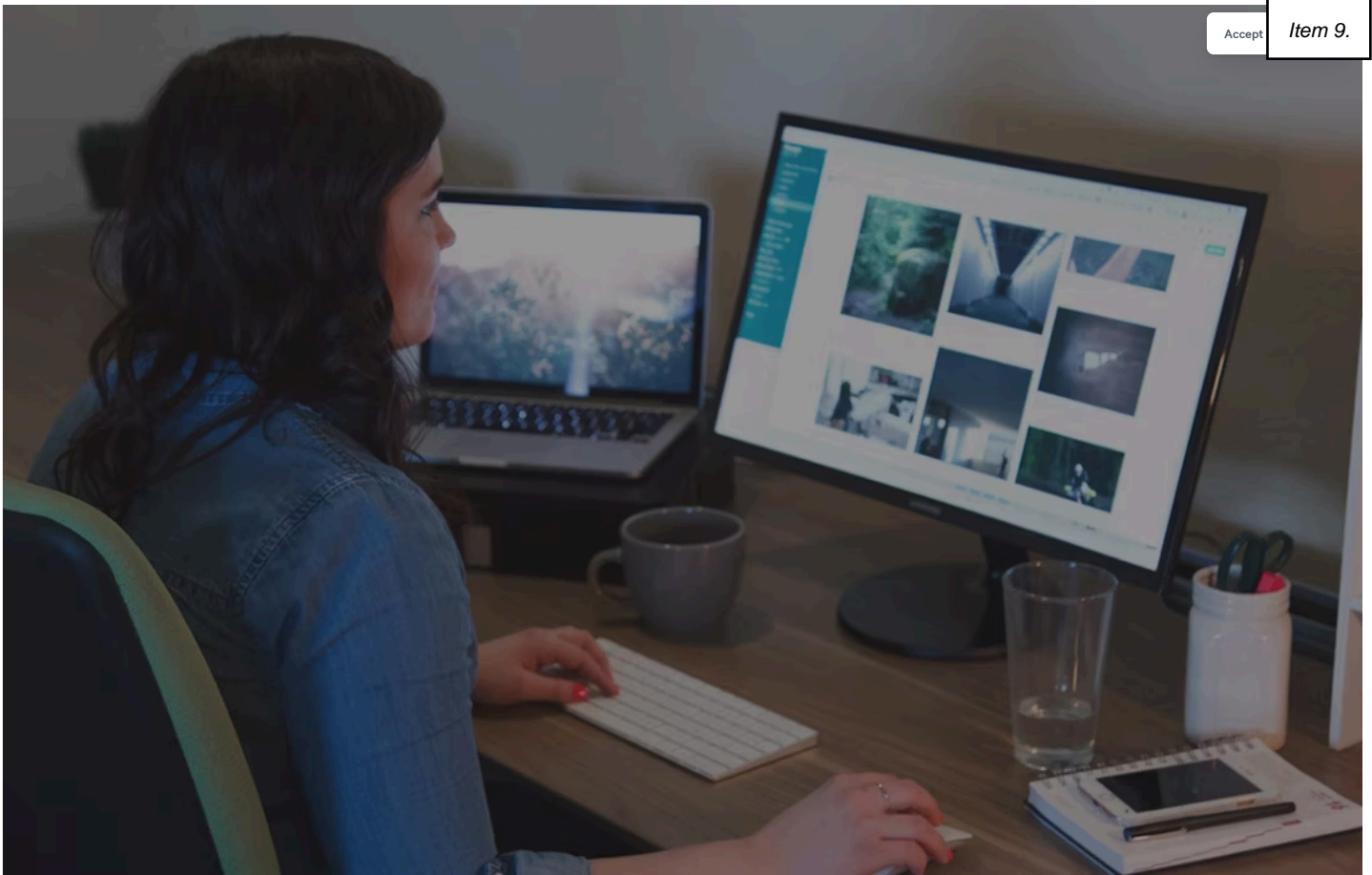
Why you should choose Dynamic

 Dynamic Agency- Web.Content.Video
Dynamic, Inc

00:59

get jazzed about developing personalized tools to create customized solutions, and they're usually amazing and oftentimes outlandish, but all effective. From custom code to mobile applications to specialized P... all but can explain it in regular-people language. Plus, we develop our own creations, which makes our job even more satisfying and provides clients with valuable benefits as well.





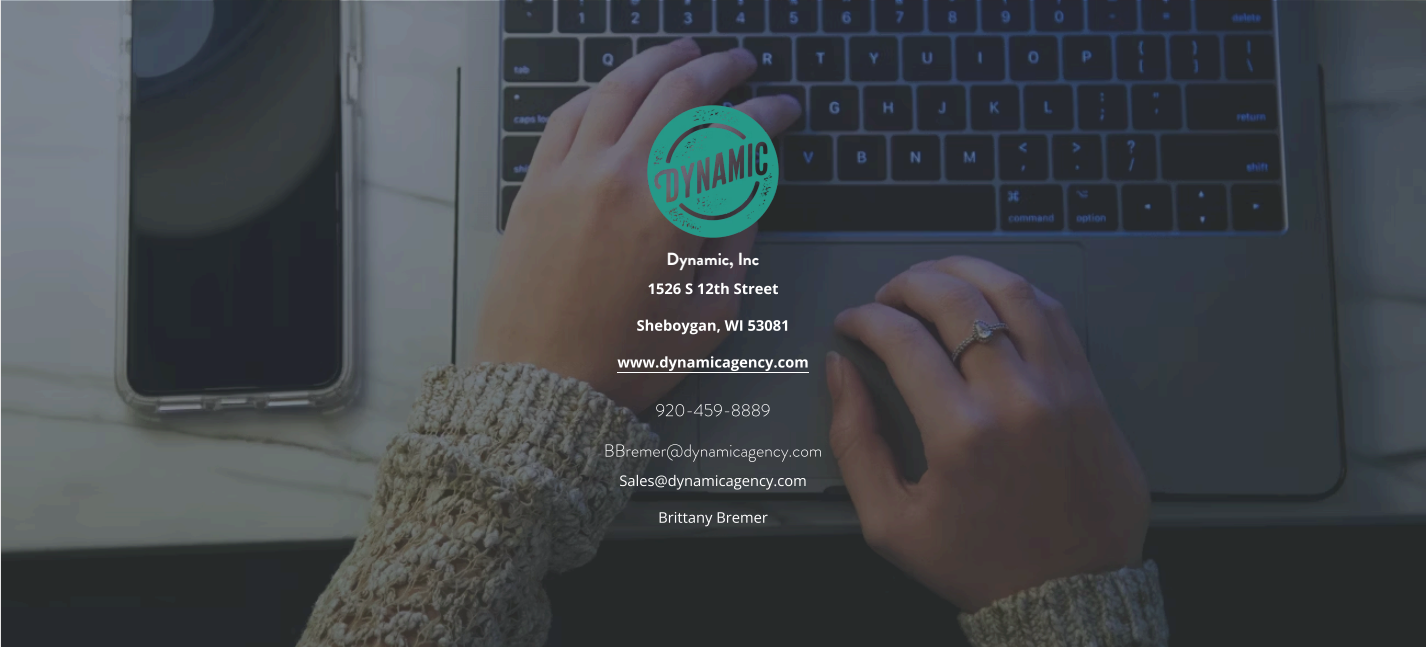
experience for your audience that efficiently navigates them to information and engages them to cultivate brand loyalty. We determine which tools and collateral will work hardest to achieve that, ensuring that —from social media posts to billboards to display booths. We provide everything you can think of and maybe a few things you've never even heard of. And yeah, we know that every agency out there touts its creative work speak for itself. [Check it out!](#)

every project from the get-go with a winning strategy. Defining the objectives, goals, audience, key performance indicators, and projected outcomes at the outset means we'll make the best decisions during the project; us to better track and share a return on investment in the analysis/measurement stage.



CLIENTS





Renewals

Description	Qty
We will order your renewals the month in which they come due, an invoice will follow. Payment is not due until you have received an invoice from Ontech.	
<i>Note: prices are subject to change due to vendor price increases. You will be notified if this would affect your quoted items.</i>	

Managed Services - Advanced Bundle

Description	Recurring	Qty	Ext. Recurring
<u>Ontech Managed Services Renewal:</u>			
Current Term: 2 Year			
Current Spend: \$1640 a month			
Renewal Term: 2 Year			
Renewal Spend: \$1770 a month			
Advanced Bundle	\$1,525.00	1	\$1,525.00
Network Documentation Portal		1	
Change Management Tool		1	
Elite Server Care		3	
Desktop Care		43	
DNS Protection		43	
Security Awareness Training		33	
Fortify for Endpoint Protection - Control		45	
Identity Monitoring		1	
Ontech Managed Service Add On	\$245.00	1	\$245.00
Ontech Managed Service Add On			

Managed Services - Advanced Bundle

Description	Recurring	Qty	Ext. Recurring
<p>Network Device Care</p> <ul style="list-style-type: none"> • Asset Inventory: Automatically creates an inventory of all your networks and devices. It ensures your documentation is kept up to date, in real time • Automated Proactive Awareness: Begins monitoring the network with 50+ preconfigured alerts to help you gain visibility into your networks • See All Your Connections in Real Time: Shows how your entire network is connected, all the way down to the endpoints like printers and servers • Configuration Management: Is capable of automatically backing your device configurations every time a change is detected. Note: Automatic backup only works with accurate credentials for your network devices. • Environment: Server • Devices: Cisco CBS350-48-4x (Server Room), SonicWall-TZ370@192.168.1.2, HPE-SWU-SW1-24, MeterShop-CBS250-24 		4	
<p>Mobile Device Management</p> <ul style="list-style-type: none"> - Passcode & encryption enforcement - Device restriction settings - Remote locate, lock & wipe - Compliance reporting - BYOD privacy settings - Jailbreak and root detection 		7	

If choosing a contract option, I understand the services I am approving on this proposal is a contract between our business entity and Ontech Systems, Inc. for Managed Services only. These services differ from hourly time and materials charges. The terms available for Managed Services are month to month, 1 year, or 2 year.

If choosing a commitment option, your business will be *committed to the minimum monthly spend amount quoted, this will be your minimum commitment*. If additions are needed, they can be added to active contract. All Managed Services products purchased through Ontech must be on the same term length. Cancellation prior to the termination date will result in full payment of contracted Managed Services through the last day of contract.

Contract starts when agents are installed and "live and active", not accepted proposal date, and these dates will be reflected on your invoice. **Agreement terms will auto renew unless a 60-day notice is provided by end client.** The monthly fees do not include set up or cancellation service fees to install or uninstall the Managed Services agents(s).

Managed Services - Advanced Bundle

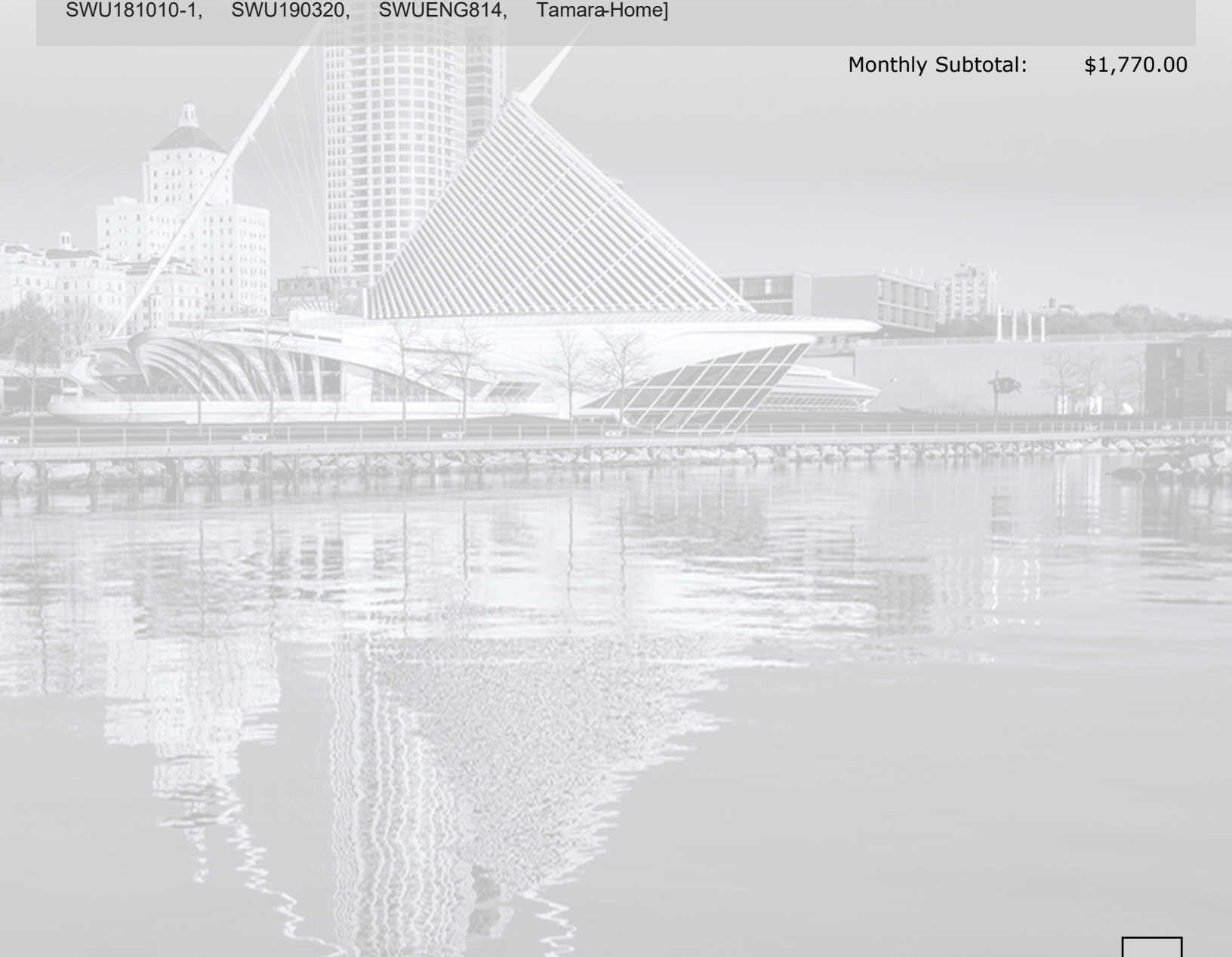
Description	Recurring	Qty	Ext. Recurring
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Devices:

Elite Server Care: [FILE2020, SQL2019]

Desktop Care: [DESKTOP-DVEOHMF, DESKTOP-TF19KBT, HP-Jane, LAPTOP-25C70TNV, LAPTOP-KAGCECGK, Mitel, SWU-191230-1, SWU-191230-2, SWU-191230-3, SWU-191230-4, SWU-200211-2, SWU-200423, SWU-200521, SWU-ENG-REMOTE-PC, SWU-ENG-REMOTE2, SWU-FIELD-LT, SWU-FO3, SWU-JOE190924, SWU-Josh, SWU-PC01, SWU-PC02, SWU-PC03, SWU-PC04, SWU-PC05, SWU-PC06, SWU-PC07, SWU-PC08, SWU-PC09, SWU-PC10, SWU-PC11, SWU-PC12, SWU-REMOTE-LT01, SWU02-6MV3VQI, SWU03-HOSC42B, SWU04-7K44G4P, SWU181008-1, SWU181009-1, SWU181009-2, SWU181009-3, SWU181010-1, SWU190320, SWUENG814, Tamara-Home]

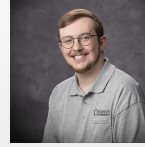
Monthly Subtotal: \$1,770.00



RMM Renewal - Advanced Bundle w/ MDM - Due 5/31/24

Quote Information: Prepared for:
Quote #: 014455 **City of Sheboygan Water Utility**
 Version: 1 72 Park Ave
 Delivery Date: Sheboygan, WI 53081
 04/09/2024 Tamara Scheuren
 Expiration Date: (920) 459-3800
 06/29/2024 tamarascheuren@sheboyganwater.org

Prepared by:
Ontech Systems Inc.
 Sam DuKatz
 (262) 522-8560
 sam@ontech.com



Monthly Expenses Summary

Description	Amount
Managed Services - Advanced Bundle	\$1,770.00
Monthly Total:	\$1,770.00

Payment Options

Description	Payments	Interval	Amount
Managed Service Commitments			
24 Month	24	Monthly	\$1,770.00

Summary of Selected Payment Options

Description	Amount
Managed Service Commitments: 24 Month	
Selected Recurring Payment	\$1,770.00
Total of Recurring Payments	\$42,480.00

For full quote view with product descriptions, warranty information and disclaimers, please review PDF.

Quote is valid for 45 days. Prices are subject to change due to price increases. You will be notified if this would affect your quoted items.

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Note: Please do not pay from quote, invoice to follow.

Ontech Systems Inc.

City of Sheboygan Water Utility

Signature:

Name: Sam DuKatz

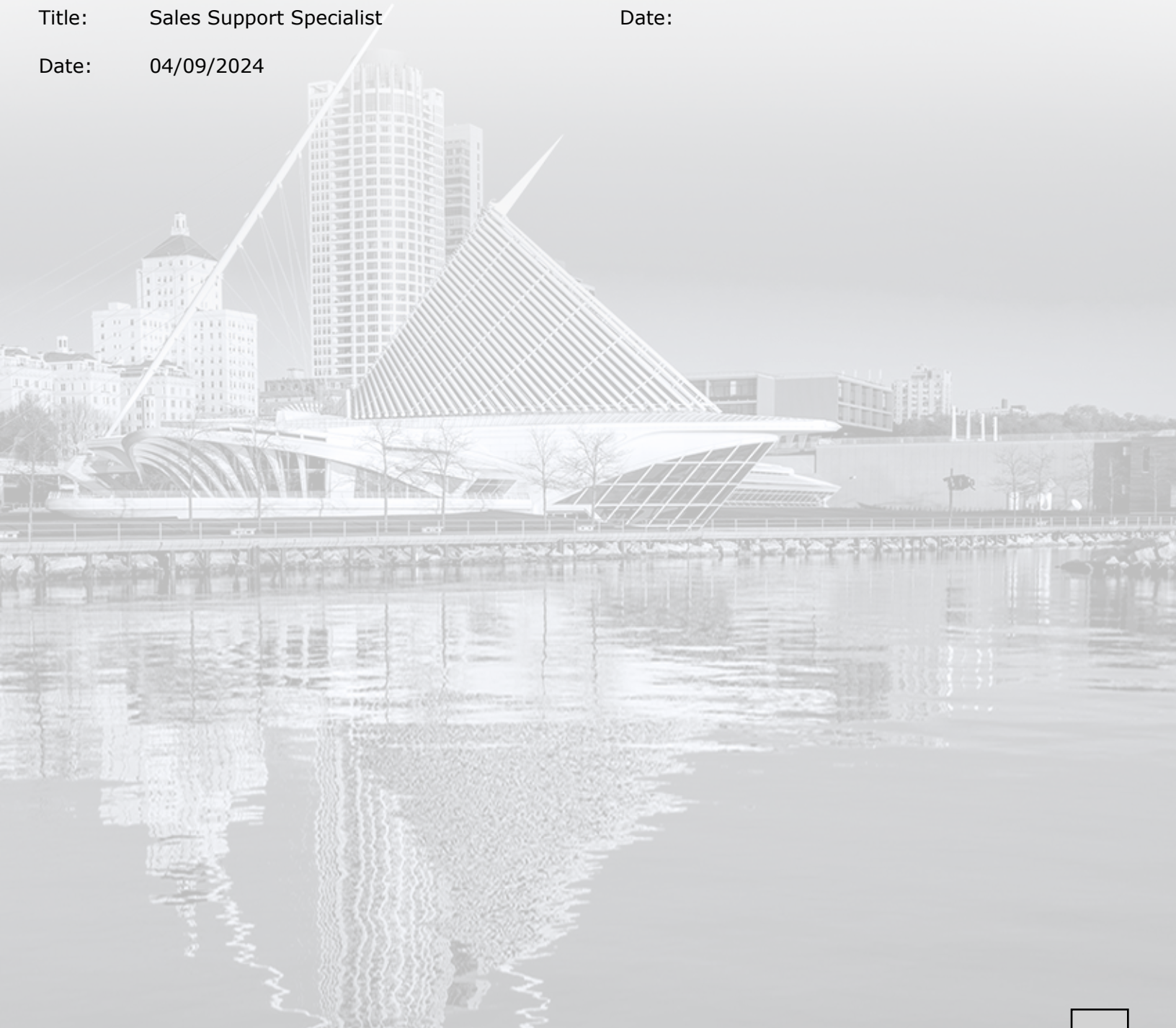
Title: Sales Support Specialist

Date: 04/09/2024

Signature:

Name: Tamara Scheuren

Date:



Advanced Bundle – Scope of Services

- Portals
 - Ticketing portal
 - Documentation portal
 - Billing portal
- Workstation/Laptop/Desktop Management
 - 24x7x365 NOC monitoring and alerting
 - Signature-based antivirus license
 - SOC-managed Next-Gen Antivirus platform (EDR)
 - DNS management license
 - Remote access license – Customer and Ontech use
 - Phishing simulator & email training tool license
 - Windows Patch Management: Devices assessed daily for available patches for feature and security updates. Windows patches will automatically install during the next patch and reboot time defined for customer site. Windows build updates are pushed quarterly.
 - Weekly scheduled tasks (OS dependent)
 - Log cleanup
 - Temp file cleanup/deletion
 - Smart hardware monitoring for hard drive health checks
- Server Management
 - 24x7x365 NOC monitoring and alerting
 - Ontech NOC target service levels (remote connection required)
 - Server down tickets: 15-30 minutes to begin work
 - Critical impact alert tickets: 1-2 hours to begin work
 - Update critical impact tickets: every 3-4 hours
 - Signature-based antivirus license
 - SOC-managed Next-Gen Antivirus platform (EDR)
 - Remote access license – Customer and Ontech use
 - Windows Patch Management: Devices assessed daily for available patches for feature updates and security updates. Windows patches will automatically install during the next patch and reboot time defined for customer site. Devices not assessed in over 7 days log a ticket for review and potential action.
 - Hypervisor or physical server hardware health monitoring
 - Weekly scheduled tasks (OS dependent)
 - Temp file cleanup/deletion
 - Issue-based troubleshooting tickets
 - General performance, Exchange, VMware/Hyper-V, SQL, Active Directory, Remote Desktop Services, Group Policy, Windows Server and Service Errors. A full Scope of Services can be provided upon request for specific inclusions/exclusions.
- Security Services
 - Monitoring customer email domain/user accounts on the dark web for exposed passwords
 - Alerts for privileged escalation on workstations and servers
 - End-user web filtering and reporting via DNS management agent
 - Ontech Security Awareness Training Global Management - one phishing campaign per month, one training campaign per quarter curated and deployed by Ontech security desk
 - 24x7x365 SOC monitoring and alerting services across servers and workstation devices
 - AI-Powered: Continuously monitor and map each running process for malicious behaviors
 - Threat Detection: Rapidly recognizes thousands of viruses and malware attack variants, including crypto mining attacks. Providing a root cause of these malicious behaviors by quickly identifying and diagnosing corrupt source processes and system settings.
 - Response & Remediation: When malicious behavior is detected, SOC will attempt to rollback files to previous safe versions through tracking changes in the devices and restoring to an acceptable risk state
- Subscription & License Management of active services with Ontech

REQUISITION

Item 11.

CITY OF SHEBOYGAN BOARD OF WATER COMM REQUISITION DATE 04/04/2024

VENDOR: BADGER METER INC
 4545 W BROWN DEER RD
 P. O. BOX 245036
 MILWAUKEE WI 53224

SHIP TO 72 Park Ave Sheboygan WI 53081

DATE REQUESTED BY 04/23/2024

REQUISITION NO. 5098

QTY	ITEM #	INVENTORY #	DESCRIPTION	UNIT PRICE	TOTAL PRICE
300			M25 Plastic disc meter 5/8" x 7 1/2"--5/8" bore, bare	62.73	18,819.00
			Total Freight Misc		
NOTE:					
TOTAL					18,819.00

CALL IN PURCHASE ORDER NUMBER _____ PREPARED BY Davew
 PHONE NO. 800-616-3837

FAX PURCHASE ORDER _____ REQUESTED BY DW
 FAX NUMBER: 888-371-5982

SEND ORIGINAL PURCHASE ORDER TO VENDOR _____ APPROVED BY _____

ALREADY ORDERED



Board of Water Commissioners Approval Request - 2024

Cost Estimates for Water Main Installation:

Item	Footage	Water Main Size	Project Location	Estimated Construction Cost	Bid Price:	Notes:
1	460	24"	Taylor Drive: Union Ave to 400' north	\$250,000	\$237,103.50	Part of Sheboygan County WDOT Project. Construction Summer 2024.
2	440	8"	Lincoln Ave: Barrett to N 1st Street	\$70,000		Installation by SWU C/M Team. Constructoin Spring 2024.
3	~700	12"	Sheboygan River Crossing near Garton Toy Site	\$250,000		Project to be bid in Summer of 2024, still being designed by AECOM.
Totals:				\$570,000		