



## 2019 Annual Report

### FROM THE GENERAL MANAGER

Community-owned, not-for-profit Kaukauna Utilities provides low-cost, reliable, environmentally responsible water and electric service with a friendly, personal touch. We are your friends and neighbors who share in the community's local values and understand our customers' needs.

Our Public Power utility was created for the benefit of those we serve, so customers and the community are at the heart of all we do. This is why we invest in more than just water mains, meters, and poles. We volunteer at community events and support worthy local causes, award scholarships to deserving high school seniors, and help customers reduce waste and save money. We also work hard to make sure we have the infrastructure, technology, and service options in place to meet our customers' evolving needs and expectations now and well into the future.



This report outlines some of our recent efforts in these areas. If you have any questions, please don't hesitate to get in touch with us at 920-766-5721 or [kumail@ku-wi.org](mailto:kumail@ku-wi.org), or visit our office at 777 Island Street in Kaukauna.

Jeff Feldt  
General Manager, Kaukauna Utilities

### SERVING OUR COMMUNITY

We are honored to support a variety of worthy local organizations and initiatives. Here are some of the ways our utility gave back in the past year:

- Make-A-Wish Foundation
- FIREPUP safety program
- Kaukauna and Little Chute High School academic & athletic programs
- Kaukauna Public Library
- Community Foundation U.S. Venture Fund for Basic Needs
- 1,000 Island tree seedling sale
- Electronic Recycling Event
- Kaukauna Community Players
- Autism Society of Fox Valley
- Kaukauna & Little Chute Rec Dept.
- Park Community Charter School
- St. Vincent DePaul
- Quad Community Crime stoppers
- Kaukauna Community Health Associates
- Breast Cancer Family Foundation
- Wrightstown Athletic Programs
- Little Chute Cheese Festival



Congrats to Ryan, Abigail and Madeline, the winners of our 2019 "Thank a Lineworker" coloring contest!

## High School Scholarships

Kaukauna Utilities awarded a total of \$4,000 in academic scholarships to three deserving seniors in 2018.

- **Lucas Franck**, Little Chute Career Pathways Academy
- **Tony Tessen**, Kaukauna High School
- **Trevor Verhagen**, Kaukauna High School

## See Our Renewable Resources in Action at Hydro Park

Our community's beautiful Hydro Park features kiosks that now display real-time power production data for all seven of Kaukauna Utilities' hydroelectric facilities, as well as the Kaukauna High School wind turbine and the photovoltaic (PV) solar projects at City Hall and the Kaukauna Fire Department. Learn more about these clean, local, renewable resources and compare their output to how electricity is used in a typical home.



## Electronics Recycling

Kaukauna Utilities and the City of Kaukauna collected over 31,000 pounds of material at our Spring 2019 electronic recycling event. The effort keeps these items out of landfills and ensures they are responsibly recycled.

## After the Storm: Paying it Forward

After significant storm damage to Kaukauna Utilities' system on July 20, we called on fellow Public Power utility crews from Sturgeon Bay and New Holstein for assistance. With their help, we completed clean-up and power restoration. Kaukauna Utilities then paid it forward, sending two of our own line workers to other storm-stricken communities in western Wisconsin.

## KEEPING COSTS DOWN

### Lower Rates

Kaukauna Utilities reduced our electric rates by 3.5% in 2019, thanks in large part to the highly cost-effective hydro resources that power up to 30% of our customers' energy needs. The Public Service Commission of Wisconsin's approval of the new rates this year brought to a close a rate adjustment process that began in late 2017 following

the receivership and sale of Appleton Coated, which had been Kaukauna Utilities' largest customer by far.

## Hydro Facilities Deliver Value

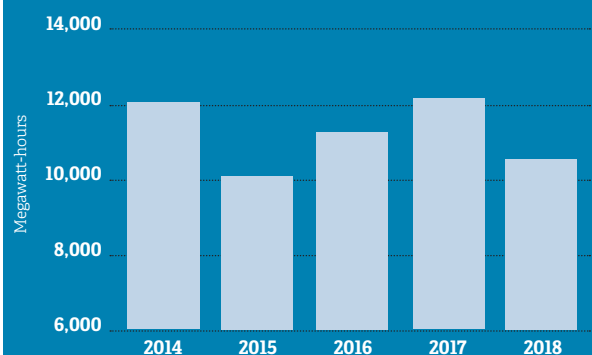
Kaukauna Utilities' investment in local hydro resources worked to significantly offset the impacts of the lost revenue from Appleton Coated. Now that our utility provides less power to the mill, our other customers receive a greater percentage of the low-cost local power that we produce at Kaukauna Utilities' seven local hydro facilities along the Fox River.



## Boosting the Bottom Line

In 2018, Kaukauna Utilities helped customers reduce energy waste by more than 10.5 million kilowatt-hours (kWh) – that's enough electricity to power 12,500 homes for a month. We also provided water conservation incentives including customer rebates for water-saving faucets, toilets, automatic clothes washers and dishwashers.

### ENERGY SAVED BY EFFICIENCY MEASURES



## Helping Customers Save

Kaukauna Utilities offers resources to help you manage your energy use and utility bill, including:

- Energy and water-saving programs and incentives
- Budget billing
- Energy assistance for income-qualified customers, available through the Wisconsin Home Energy Assistance Program (WHEAP). To learn more about the



WHEAP application process, customers should contact Wisconsin Energy Services at (800) 506-5596.

- Electric vehicle charger incentive
- Geothermal HVAC incentive
- Energy star appliance rebates coming in Fall 2019

We're always here to help with programs for business and residential customers. For more information, visit [www.ku-wi.org](http://www.ku-wi.org) or contact Energy Services Representative Steve Engebos at (920) 462-0251.

## POWERING OUR COMMUNITY



**Reliable Energy**  
We strive for zero outages, however if an outage occurs, fast restoration is our highest priority.

**Community Asset**  
Beyond reliable power at a low cost, we also give back to keep Kaukauna a great place to live and work.

**Environmentally Friendly**  
We value our environment and approximately a third of our energy is from renewable resources.

**Trust**  
We look out for your best interests and that you believe we are your greatest resource for any energy issues that might arise.

**Customer Service**  
We provide quick and friendly hometown service to resolve your issue.

**Lower Energy Costs**  
We are transparent about various costs that go into your monthly charges while keeping rates among the lowest in Wisconsin.

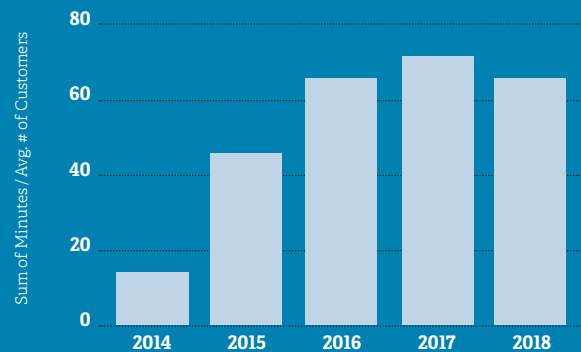
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### Kaukauna Utilities is a Reliable Public Power Provider



We are designated by the American Public Power Association as a Diamond-Level Reliable Public Power utility for our strong commitment to providing reliable power while also maintaining high standards of safety and efficiency.

### KAUKAUNA UTILITIES RELIABILITY INDEX (SAIDI)



### Advanced Meter Installation Continues

Kaukauna Utilities has nearly wrapped up installing advanced meters across our system, with completion anticipated by the end of 2019. Advanced meters allow us to provide more proactive customer service, improve system reliability and operate more efficiently. In the future, the technology will also enable more options for customers to track and make informed decisions about their usage, gain more control over their monthly bills, and more.

### New Solar Energy Project

Kaukauna Utilities' warehouse received a grant from our wholesale power supplier, WPPI Energy, for a 78-kilowatt (kW) rooftop solar PV installation. The project was designed and will be installed by Kaukauna Utilities, and it is anticipated to generate most of the energy the warehouse needs.

### Smart Energy Provider

Kaukauna Utilities has been recognized by the American Public Power Association as a Smart Energy Provider Utility for our efforts to incorporate energy efficiencies and sustainability while providing affordable electric service.



### Energy Billing: Did You Know?

Most of the costs in your monthly residential electric bill are for energy usage, which is measured and billed in kilowatt-hour (kWh) units of electricity. One kWh powers a 100-kW light bulb for 10 hours.



## WATER NEWS

Kaukauna Utilities remains committed to delivering the best quality drinking water. We work vigilantly to adopt new methods for ensuring safety while meeting customer needs.

### Water Main Replacements Continue

Each year, we replace water main relays to better serve customers and comply with lead sampling requirements. We consider this a priority. It is our goal to eventually eliminate lead laterals from our system.

### Customer-Owned Lead Service Line Replacement

In the interest of public health, Kaukauna Utilities will remove by 2030 all existing lead service water lines. The service line is what delivers water from the utility's water main to the home. Typically, it is most convenient and cost-effective for property owners to replace their private lead service lines at the same time the utility replaces its public lines; however, doing so was not a requirement prior to 2011.

In 2019, the Utility Commission and the City of Kaukauna's Common Council determined it is in the public interest to remove and replace all lead service lines, public or private. The resulting ordinance requires property owners to replace lead service lines connected to utility water lines which were replaced before 2011 and which are not scheduled for utility replacement in the next 10 years.

Each year, about 75 residents will be notified they are required to replace their lead service line.

Kaukauna Utilities will coordinate contractor bids to cost-effectively replace the lines. To help fund the costs, the utility will offer a 10-year loan, to be paid back on the property tax bill. The cost can also be paid in full when the line is replaced. Most projects will be carried out with a trenchless method requiring very little excavation.

### Advanced Water Meters

Installation of advanced water meters continues across the Kaukauna Utilities system. We expect to complete this initiative by the end of 2019.

### Detecting Water Main Leaks

We log and analyze flow on our water mains overnight, when usage should be very low, to find where repairs are needed. The result: we've reduced leaks by 2%, saving both water and the energy needed for pumping and filtering. The effort helps keep costs down for everyone.

### Annual Water Quality Report available

Kaukauna Utilities' annual Consumer Confidence water quality reports are available at [kaukaunautilities.com](http://kaukaunautilities.com) > Services > Water Department.

## FINANCIAL HIGHLIGHTS

	2018	2017	2016	2015	2014
<b>ELECTRIC</b>					
<b>Operating Revenue</b>	\$ 47,679,894	\$ 55,537,831	\$ 57,549,765	\$ 59,957,655	\$ 61,225,519
<b>Operating Expenses</b>					
Purchased Power	29,251,397	37,380,724	39,403,458	42,211,075	43,299,191
Operation and Maintenance	6,902,050	6,669,582	7,301,536	6,571,799	6,473,267
Depreciation	4,599,602	4,648,352	4,506,827	4,433,906	3,678,901
Taxes	1,391,123	1,464,297	1,521,477	1,520,980	1,551,395
Total Operating Expenses	42,144,172	50,162,955	52,733,298	54,737,760	55,002,754
<b>Operating Income</b>	<b>\$ 5,535,722</b>	<b>\$ 5,374,876</b>	<b>\$ 4,816,467</b>	<b>\$ 5,219,895</b>	<b>\$ 6,222,765</b>
<b>WATER</b>					
<b>Operating Revenue</b>	\$ 3,916,633	\$ 3,778,838	\$ 3,742,336	\$ 3,672,153	\$ 3,491,290
<b>Operating Expenses</b>					
Operation and Maintenance	2,423,529	2,039,629	1,950,418	1,983,109	1,903,793
Depreciation	582,832	565,510	529,679	503,612	475,190
Taxes	57,890	61,041	63,868	64,556	62,092
Total Operating Expenses	3,064,251	2,666,180	2,543,965	2,551,277	2,441,075
<b>Operating Income</b>	<b>\$ 852,382</b>	<b>\$ 1,112,658</b>	<b>\$ 1,198,371</b>	<b>\$ 1,120,876</b>	<b>\$ 1,050,215</b>