

**RESOLUTION 2018-90
VILLAGE OF WINDSOR**

**RESOLUTION REGARDING THE ENGAGEMENT OF PROFESSIONAL ACCOUNTING
SERVICES AND ENGINEERING SERVICES FOR WINDSOR WATER UTILITY RATE
STUDY**

WHEREAS, the Village Board finds that the Village of Windsor has a need to acquire professional accounting and engineering services for the completion and submittal of a Water Rate Study to the Wisconsin Public Service Commission for determination of the water rates and rate structure needed for fiscal operation of the Windsor Water Utility; and

WHEREAS, Johnson Block, Inc. is the Village of Windsor Auditor and has completed a previous Water Rate Study and submittal to the Wisconsin Public Service Commission on behalf of Windsor Water Utility and is familiar with the water operations of the utility; and

WHEREAS, the Village Board, at their meeting on September 5th, 2018 supported proceeding with a full water rate review to ensure the current rates are covering operation costs, along with current and future improvement costs; and

WHEREAS, the Utility Commission, at their meeting on September 11th, 2018 supported proceeding with a full water rate review to ensure the current rates are covering operation costs, along with current and future improvement costs; and

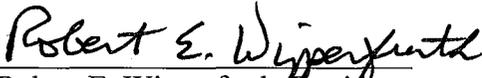
WHEREAS, Johnson Block CPA's have provided a proposal to complete services for a water rate study as shown on the attached, Exhibit A, Engagement Letter dated September 10th, 2018; and

WHEREAS, Baxter and Woodman, Village Engineers, will be engaged for professional services as needed, and will bill at the Villages contracted hourly rate;

NOW THEREFORE, BE IT RESOLVED, by the Village Board of the Village of Windsor to approve proceeding with a Water Rate Study. The Village President is authorized to execute Engagement Letter of Johnson Block, CPA's as provided in Exhibit A and the Village Engineers billing at the Village's contracted hourly rate.

The above and foregoing resolution was duly adopted by the Village Board of the Village of Windsor, Dane County, Wisconsin at a meeting held on the 20th day of September, 2018 by a vote of 4 in favor and 0 against.

VILLAGE OF WINDSOR

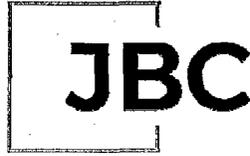

Robert E. Wipperfurth, President

Attested by:


Christine Capstran, Clerk

INCORPORATED BY REFERENCE:

Exhibit A: Johnson Block CPA's Scope of Services



JOHNSON BLOCK
CPAs

September 10, 2018

Tina Butteris
Village of Windsor
4084 Mueller Road
DeForest, WI 53532

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will compile, in accordance with attestation standards established by the American Institute of Certified Public Accountants, from information management provides, the forecasted financial schedules, and summaries of significant assumptions of the Village of Windsor Water Utility as of December 31, 2018, and for the year then ending. A compilation is limited to presenting, in the form of a financial forecast, information that is the representation of management. We will not examine the financial forecast and therefore, will not express any form of assurance on the achievability of the forecast or reasonableness of the underlying assumptions.

Management has elected to omit the summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the Utility's financial position, results of operations, and cash flows for the forecast period. Accordingly, this forecast is not designed for those who are not informed about such matters.

A compilation of a financial forecast involves assembling the forecast based on management's assumptions and performing certain other procedures with respect to the forecast without evaluating the support for, or expressing an opinion or any form of assurance on, the assumptions underlying it.

If for any reason we are unable to complete our compilation of your financial forecast, we will not issue a report on it as a result of this engagement.

A financial forecast presents, to the best of management's knowledge and belief, the Utility's expected financial position and results of operations for the forecast period. It is based on management's assumptions, reflecting conditions it expects to exist and the course of action it expects to take during the forecast period.

Management is responsible for representations about its plans and expectations and for disclosure of significant information that might affect the ultimate realization of the forecasted results.

There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. Our report will contain a statement to that effect.

We have no responsibility to update our report for events and circumstances occurring after the date of our report.

At the conclusion of the engagement, management agrees to supply us with a representation letter that, among other things, will confirm management's responsibility for the underlying assumptions and the appropriateness of the financial forecast and its presentation.

In order for us to complete the engagement, management must provide assumptions that are appropriate for the forecast. If the assumptions provided are inappropriate and have not been revised to our satisfaction, we will be unable to complete the engagement, and, accordingly, we will not issue a report on the forecast.

If management intends to reproduce and publish the forecast and our report thereon, they must be reproduced in their entirety, and both the first and subsequent corrected drafts of the document containing the forecast and any accompanying material must be submitted to us for approval.

We will assist in preparing the forecasted financial schedules and summaries of significant assumptions of the Village of Windsor Water Utility as of December 31, 2018, and for the year then ending based on information provided by you. The preparation of a financial forecast involves the computer (or manual) processing of, and the mathematical and other clerical functions related to, the presentation of the forecast, which is based on management's assumptions. The other services are limited to the preparation services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the forecast preparation services, and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Kevin Krynski is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

The fees for the compilation of the forecast will be billed at our regular hourly rates and depend on the level of assistance required by the Village.

- Fees for preparation of the full application will range from \$8,900 to \$9,900.
- Any time devoted to attending the hearing or representing the Utility before the Wisconsin Public Service Commission will also be billed at our regular hourly rates, and is in addition to the fees referred to above.

This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the letter to confirm your understanding, and return it to us.

Sincerely,



Kevin Krysinski, CPA, Partner
Johnson Block & Co., Inc.

RESPONSE:

This letter correctly sets forth the understanding of the Village of Windsor Water Utility.

Signature: Robert E. Wipperfurth

Title: Village President