

THE POWER OF LOCAL OWNERSHIP

Community Minded

Community Proud

Community Owned



July, 2006

RICE LAKE UTILITIES RETURNS THE FAVOR

Rice Lake Utilities phones are answered 24 hours a day seven days a week. Since August of 2005, Rice Lake Utilities has contracted with Gold Cross Services out of Eau Claire, Wisconsin to answer our incoming calls after 4:00 p.m. Monday-Friday and on weekends and holidays. If you have an emergency situation, the fastest way to get utility personnel dispatched is to call our office directly at 715-234-7004.



At their April 2006 meeting, the City of Rice Lake's Common Council accepted Rice Lake Utilities offer to forgive two promissory notes totaling almost 1.2 million dollars including principal and interest. These notes would have averaged nearly \$70,000 per year from 2008 through the retirement of the debt in 2023.

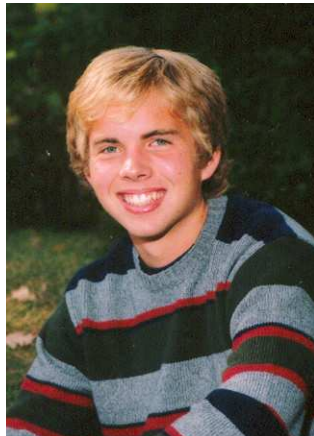
Before the Rice Lake Utilities Commission was formed back in 1987, Rice Lake Utilities was under the direction of the Rice Lake City Council. At that time Rice Lake Utilities had significant debt of over 1 million dollars and a failing infrastructure. In hopes for a fresh start the Rice Lake Common Council approved the formation of a separate Commission for Rice Lake Utilities and forgave the 1.5 million dollars that was owed. The new Rice Lake Utility Commission wasted no time in implementing good business practices and securing funds for future growth. Since 1987 Rice Lake Utilities has contributed over 5.5 million dollars in lieu of taxes to the City General and has created a utility that takes customer service very serious, is dependable, trustworthy and hardworking, all while keeping our expenses to a minimum. Instead of skimping on our infrastructure we have made Rice Lake Utilities an icon within our fields. Some of our achievements have been implementing a new 80 megawatt substation for future load and increased reliability, being voted as having the best tasting water in the state in 2003 and placing in the top ten in 2004, 2005 and 2006 at the Berkley Springs International Water Tasting Competition. In 1998 Rice Lake Utilities implemented a 2.6 million dollar 180-day sludge storage facility and also a re-aeration basin was converted and modified to allow for biological phosphorus removal which allows for safe discharge into the Red Cedar River.

The employees and commissioners of Rice Lake Utilities believe that Rice Lake Utilities is one of our communities greatest assets and should be taken care of as such. Part of Rice Lake Utilities "Asset Management Strategy" states that:

"Rice Lake Utilities will ensure the availability of physical assets necessary, adequate, and appropriate to meet the needs of our customers. Our investment in utility infrastructure, land, buildings, vehicles, telecommunications, computers and equipment need to be planned, designed, and acquired in a manner to support the core business requirements of Rice Lake Utilities and provide efficient, low-cost operations and maintenance".

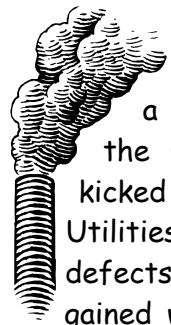
Evan Shay Schroeder Named Rice Lake Utilities Scholarship Winner For 2006

Rice Lake Utilities Commissioner Gary Horvat, presented a \$500 scholarship on behalf of Rice Lake Utilities to Evan at the Rice Lake High School Academics Awards Banquet in May. Evan is a 2006 graduate of Rice Lake High School and plans to enroll in the University of Minnesota-Duluth's pre-med



program. *"Today, consumer-owned utilities are as practical as ever. The small companies view their customers as people and neighbors, not simply a source of revenue. Small users, such as household customers, have much more access and ability to express opinions and control directorship. They are more likely to give input that will be heard and to have more probable and positive response to their needs. Business and factories are more likely to receive specific services vital to their survival from a company whose interests are the same as those of their clients".* By Evan Schroeder.

Rice Lake Utilities Goes Up In Smoke



On May 30th of this year the Rice Lake Utilities Wastewater personnel performed a smoke test of the sanitary sewer main on the 0-400 blocks of Noble Ave. This test kicked off a city wide effort by Rice Lake Utilities to ensure that there are no breaks or defects in the sewer system. The information gained will be used to identify sewer mains that need to be repaired. A special non-toxic smoke was used in these tests. The smoke that is manufactured for this purpose, leaves no residual stains, and in general has no effect on plant, animal or human life. The smoke should not enter your home unless you have defective plumbing or dried up drain traps. As the program proceeds throughout the summer, notices will be sent to all residences along each test route with more information. Rice Lake Utilities has an obligation to ensure that the comfort of life in Rice Lake is maintained. The smoke testing is another tool to use to develop that additional comfort level.



Rice Lake Utilities Uses The Latest Technology

Rice Lake Utilities is currently in the process of utilizing the Global Positioning System (GPS) to map our entire water system. GPS is a satellite based navigational system consisting of a network of 24 satellites which are used as reference points to calculate positions. By utilizing GPS, Rice Lake Utilities crews will be able to accurately locate water valves and shut offs, greatly improving our customer service ability. The entire project is expected to take an estimated six months to complete.

Rice Lake Utilities Financial Summary For 2005

(Electric Utility)

Serving 5,236 consumers	
Operating revenues	\$10,616,782
Operating expenses	\$10,260,277
Operating income	\$356,505
Rate of return on rate base	4.7%
Total plant in service	\$13,536,628
Purchased power costs in 2005	\$8,684,322
Tax Equivalent paid to the City of Rice Lake in 2005	\$205,324.00

(Water Utility)

Serving 3,709 consumers	
Operating revenues	\$998,154
Operating expenses	\$793,410
Operating income	\$204,744
Rate of return on rate base	8.49%
Total plant in service	\$8,345,501
Gals. Pumped in 2005	621,487,000
Tax equivalent paid to the City of Rice Lake in 2005	\$115,949.00

(Wastewater Utility)

Serving 3,705 consumers	
Operating revenues	\$1,238,432
Operating expenses	\$1,277,807
Operating income	\$(39,375)
Rate of return on rate base	-.94%
Total plant in service	\$12,334,000
Wastewater gallons treated in 2005	584,989,000