

COMMON COUNCIL
CITY OF WAUPUN, WISCONSIN

RESOLUTION NO. 09-13-22-02

RESOLUTION APPROVING SEWER RATE ADJUSTMENTS

WHEREAS, the Waupun Utilities Sewer Utility is required to meet new stringent phosphorus requirements mandated by the U.S. Environmental Protection Agency and Wisconsin Department of Natural Resources by 2024;

WHEREAS, it was determined that the Sewer Utility will be unable to meet the new level of effluent phosphorus limits with only operational improvements and minor facility modifications;

WHEREAS, several compliance options were considered and evaluated for technical feasibility and life cycle cost resulting in the recommendation of the treatment process Advanced Biological Nutrient Recovery;

WHEREAS, projected costs to construct and install an Advanced Biological Nutrient Recovery System and other capital improvements is \$37.5 million;

WHEREAS, the Sewer Utility was awarded multiple USDA loans at 1.125% and 1.375% in the amount of \$22,807,000 and a grant in the amount of \$9,559,000 to fund the facility improvements;

WHEREAS, the City of Waupun Common Council (the "Council") approved the Test Year 2023 Sewer Rate Analysis January 14, 2020 concluding the existing sewer rates were deficient in supporting the projected annual operations, maintenance, capital improvements, and debt service required for the new sewer facilities;

WHEREAS, on January 14, 2020 by resolution the Council approved the Test Year 2023 Sewer Rate Analysis, including the rate increase of 32.21% to be phased in at approximately 7.2% annually over a four-year period starting April 1, 2020;

WHEREAS, sewer consumption and billings across all customer classes, primarily with Major Contributing Industries as defined in section 12.06 (1) of the City of Waupun Code of Ordinances, declined during and subsequent to the COVID-19 pandemic affecting their operations and wastewater discharge;

WHEREAS, Major Contributing Industry's facilities account for 47% of the sewer utilities' plant capacity, consumption and billings and have not recovered to pre-pandemic conditions;

WHEREAS, declining Major Contributing Industry wastewater discharge has significantly contributed to sewer revenue shortfalls from designed sewer rate recovery in the Test year 2023 Sewer Rate Analysis;

WHEREAS, additional sewer revenues are necessary to meet existing Revenue Bond debt payments, funding debt coverage requirements, sewer operational and maintenance costs and cash flow needs of the sewer utility:

WHEREAS, the Sewer Utility proposes adoption of a rate increase to generate the revenues necessary to meet the financial obligations and cash flow needs of the sewer utility consisting of an increase of 15% of the forecasted revenue short-fall charged to Major Contributing Industries Minimum Monthly Fixed charge and a 4% increase to the Minimum Monthly Fixed Charge and Volume Charges for all Category A and Category B users authorized under Section 12.06(5)(c) of the Waupun Municipal Code in addition to a commitment from the City of Waupun to repay the remaining \$255,000 on the outstanding inter-governmental loan in 2023 ;

WHEREAS, the Waupun Utilities Commission (the "Commission") recommends the City of Waupun Common Council adopt a rate increase of 15% of the forecasted revenue short-fall charged to Major Contributing Industries Minimum Monthly Fixed charge and a 4% increase to the Minimum Monthly Fixed Charge and Volume Charges for all Category A and Category B users authorized under Section 12.06(5)(c) of the Waupun Municipal Code in addition to a commitment from the City of Waupun to repay the remaining \$255,000 on the outstanding inter-governmental loan in 2023 for implementation beginning with the October 2022 billing period ;

NOW, THEREFORE, BE IT RESOLVED, by the City of Waupun Common Council that Major Contributing Industry Facility Charges for Category B users as defined in Section 12.06 of the Municipal Code of the City of Waupun entitled "Sanitary Sewer System" shall be effective October 1st, 2022 as follows:

Category A. The sewer user charges for Category A wastewater shall be as follows:

Minimum Monthly Fixed Charge. According to water meter size:

Meter Size	2022	2023*
5/8"	\$ 9.83	\$ 10.80
3/4"	\$ 9.83	\$ 10.80
1"	\$ 14.55	\$ 16.32
1-1/2"	\$ 22.08	\$ 25.20
2"	\$ 31.10	\$ 35.83
3"	\$ 52.14	\$ 60.63
4"	\$ 82.19	\$ 96.05
6"	\$ 157.33	\$ 184.62
8"	\$ 247.49	\$ 290.89

Where a sewage meter is installed for metering of waste, the minimum monthly fixed charge will be calculated based on average annual wastewater flow.

Volume Charge per 100 Cubic Feet

2022	2023*
\$ 3.82	\$ 4.00

Category B. The sewer user charges for Category B wastewater shall be as follows:

Minimum Monthly Fixed Charge

Same as Category A, according to water meter size. Where a sewage meter is installed for metering of waste, the minimum monthly fixed charge will be calculated based on average annual wastewater flow.

Flowmeter	2022	2023*
Burke	\$ 1,421.15	\$ 1,507.39
DCI	\$ 18,040.89	\$ 19,156.56
WCI	\$ 17,000.89	\$ 18,116.56

Volume Charge Per 100 Cubic Feet

2022	2023*
\$ 3.82	\$ 4.00

BOD Greater Than 200 mg/l Per Pound

2022	2023*
\$ 0.61	\$ 0.63

Suspended Solids Greater Than 200 mg/l Per Pound

2022	2023*
\$ 0.51	\$ 0.53

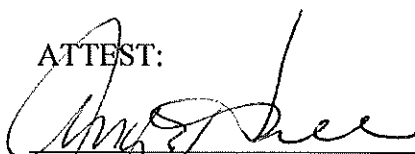
Phosphorus Greater Than 7 mg/l Per Pound

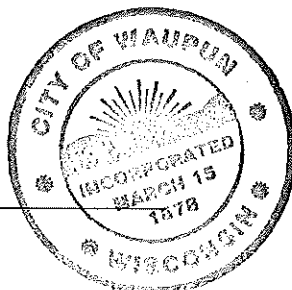
2022	2023*
\$ 17.47	\$ 18.46


*The 2023 Minimum Monthly Fix and Volume Charges for both Category A and Category B users includes the rate increase previously authorized in Resolution 01-14-20-01 effective for the period beginning April 1, 2023.

Adopted and recorded this 13th day of September, 2022.

ATTEST:


Angela J. Hull, Clerk




Rohn W. Bishop, Mayor