

RESOLUTION NO. 2019-79

RESOLUTION AUTHORIZING THE VILLAGE OF CALEDONIA THROUGH THE CALEDONIA SEWER UTILITY DISTRICT TO ADOPT A SEWER SERVICE CHARGE INCREASE FOR THE 4TH QUARTER OF 2019

WHEREAS, the Caledonia Utility District has a 7 year Capital Improvement Plan (CIP) of approximately \$24.5 Million dollars (2019 – 2025). Of that total, the Sewer Utility has approximately \$8.2 Million dollars currently under contract. The balance of those contracts to still pay out is approximately \$4.75 Million dollars. The Village's TID #5 has contributed \$9.1 Million dollars to the CIP and the remaining \$7.2 Million dollars are projects mostly scheduled over the next 3 years; and

WHEREAS, the Caledonia Utility District, has been using available cash to pay the current contracts, but will need to Bond in 2019 to pay for the remaining balances of the current contracts and for the CIP projects scheduled for 2020. The Financial Plan put together by Brian Della of PMA and Dave Wagner of the Village has Sewer Utility borrowing every other year to finance the CIP projects. The Sewer Utility is projected to borrow approximately \$3.38 Million dollars in 2019, \$4.575 Million dollars in 2021, \$8.255 Million dollars in 2023, and \$715 Thousand dollars in 2025; and

WHEREAS, The Financial Plan also indicates that in order to complete the CIP and Bond for the projects that the Sewer Service Charge will need to increase. The projected overall increase needed in the Sewer Service Charge from 2020 to 2026 currently 17.1%. The first increase in the Financial Plan is scheduled for 2020 and is 3.5%. The Financial Plan currently projects significant increases in 2020 (3.5%), 2022 (4.6%), 2024 (6.5%), & 2026 (1.9%); and

WHEREAS, the Caledonia Utility District and staff have discussed that the last Sewer Service Charge increase was in 2013 and that a Sewer Service Charge Increase be put in effect for the 4th Quarter of 2019. This would give an additional quarter to spread increases. It has also been discussed that the future increases to the sewer service charge be more gradual instead of abrupt; and

WHEREAS, the Caledonia Utility District initially recommended at their August 7th 2019 meeting that the Sewer Service Charge be raised \$5.00, which is the equivalent of approximately 4%. This would have raised the Sewer Service Charge from \$123.00 per quarter to \$128.00 per quarter.

WHEREAS, the Racine Wastewater Utility has informed the staff of the Caledonia Utility District at their August 27th 2019 meeting that the Wastewater Treatment Charge is proposed to be reduced approximately 5% to be in conformance with the Racine Area Intergovernmental Sanitary Sewer Service, Revenue Sharing, Cooperation and Settlement Agreement dated April 25, 2002.

WHEREAS, the Caledonia Utility District then re-reviewed and recommended at their September 4th 2019 meeting that the Sewer Service Charge be raised \$3.00 instead of \$5.00, which is the equivalent of approximately 2.4%. This will raise the Sewer Service Charge from \$123.00 per quarter to \$126.00 per quarter.

NOW, THEREFORE, BE IT RESOLVED by the Caledonia Village Board that the Sewer Service Charge be raised \$3.00 to \$126.00 per quarter effective September 15, 2019 (4th Quarter).

16th Adopted by the Village Board of the Village of Caledonia, Racine County, Wisconsin, this day of September, 2019.

VILLAGE OF CALEDONIA

By: James R Dobbs
James R Dobbs, Village President

Attest: Karie Pope
Karie Pope, Village Clerk