

**VILLAGE OF WINDSOR
BOARD RESOLUTION 2016-137**

APPROVAL OF 2017 WINDSOR SEWER UTILITY RATES

WHEREAS, the Village Board has considered input from its consultants, the Village Engineer, the Village Finance Director, the Windsor Utilities Commission and its residents regarding the options and methods for developing a fair and equitable system for development of sewer service charges for those persons receiving public sewer service from the Windsor Sewer Utility; and

WHEREAS, the Village Board has considered the ordinance entitled Chapter 50 *Windsor Sewer Utility* and finds the Residential Equivalent User (REU) system and the method for calculating sewer service charges set forth therein to be reasonable, fair and equitable means to establish sewer service charges for the Windsor Sewer Utility and its customers; and

WHEREAS, the Village Board has reviewed the calculations and budget prepared by the Village Finance Director based on actual costs, volume, and rates, and has concluded that the determinations for rates and charges set forth therein are based on the principles set forth in Chapter 50 and form a rational basis to set the Windsor Sewer Utility service charges for the 2017 calendar year; and

WHEREAS, following review and consideration of the relevant information, the Village Board resolves to establish the 2017 Windsor Sewer Utility sewer service charges as set forth herein.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Village Board of the Village of Windsor as follows:

1. For the average single-family residential user, the discharge to the Village sewers is 13,000 gallons per quarter. Therefore, 1 REU for unmetered residential customers = 13,000 gallons per quarter, which serves as the REU for an unmetered user.
2. The actual sewer service charge for an unmetered residential customer of the Windsor Sewer Utility (i.e., 1 REU) = \$78.50 per quarter.
3. For the average single-family residential user with a 5/8" water meter, the fixed charge per quarter is \$32.74 per quarter and the variable charge per quarter is based on metered actual flow of normal domestic strength wastewater at \$3.52 per 1,000 gallons.
4. The *estimated* service charge for a metered residential customer of the Windsor Sewer Utility (i.e., 1 REU) = \$78.50 per quarter. [Actual total bill = (fixed charge) + (actual flow x \$3.52)].
5. The Finance Director's memo dated December 20, 2016, is hereby approved and incorporated by reference as further background and support for the sewer service charges approved by this Resolution.
6. This Resolution shall take effect on the effective date of Village Ordinance 2016-31.

The above and foregoing Resolution was duly adopted at a meeting of the Village Board of the Village of Windsor on December 21, 2016, by a vote of 4 in favor and 0 opposed.

VILLAGE OF WINDSOR

Robert E. Wipperfurth
Robert E. Wipperfurth, President

Bruce Stravinski
Bruce Stravinski, Trustee

Monica M. Smith
Monica M. Smith, Trustee

Excused Absence
Donald G. Madelung, Trustee

Alan Buchner
Alan Buchner, Trustee

Attested by:
Christine Capstran
Christine Capstran, Village Clerk

Incorporated by Reference:

Exhibit A Finance Director Memo dated December 20, 2016



Windsor
Growing Forward

Memorandum

To: Windsor Village Board
 From: Tina Butteris, Director of Finance
 Date: December 20, 2016
 Re: Sewer Service Charges

The table below lists the current sewer service charges for each of the former Windsor Sanitary Districts:

Sanitary Sewer Service

<i>Unmetered Sanitary Districts</i>	Quarterly Fixed Charge/RU
Hidden Springs	\$ 66.75
Lake Windsor	\$ 48.00
Oak Springs	\$ 56.00

<i>Metered Sanitary Districts</i>	Quarterly Meter Charge	Volume Charge \$/1000 gal	Average Quarterly Usage Gallons
Windsor No. 1	\$ 28.49	\$3.27	13,000
Morrisonville	\$ 33.00	\$5.50	12,100

Hidden Springs, Lake Windsor and Oaks Springs only have sanitary sewer service. Madison Metropolitan Sewerage District (MMSD) estimates the usage for each of the former sanitary districts by measuring flowş in manholes downstream of the collection systems.

Windsor Sanitary District No. 1 and Morrisonville Sanitary District No. 1 customers are metered and quarterly sewer bills are calculated based on the usage read by the customer’s water meter; in addition quarterly fixed charge are added to the variable charge.

The proposed plan for operating the new Windsor Sewer Utility is to merge all prior sewer sanitary operations from Hidden Springs, Lake Windsor, Oak Springs, Windsor Sanitary District No. 1 and Morrisonville Sanitary District #1 and establish a uniform rate for unmetered and metered customers.

To determine the rates for Windsor Sewer Utility a budget was created to assess the revenue needs for the combined utility:

Windsor Sewer Utility Budget

Approved by Utility Commission
12/13/2016

OPERATING AND MAINTENANCE								
2017	Utility Location	Sanitary Sewer Collection System (LF)	Cleaning Length (15%)	Cleaning Cost at \$0.35/ft	Televising Length at 5%	Televising Cost at \$0.55/ft	Other Repairs	Other Repair Costs
	Windsor	110,880	16632	\$5,821	5544	\$3,049	Golf Drive CIPP	\$ 65,000
							Manholes and Misc.	\$ 20,000
	Morrisonville	13,200	1980	\$693	660	\$363	Manholes and Misc.	\$ 10,000
	Lake Windsor	13,798	2070	\$724	690	\$379		
	Oak Springs	10,880	1632	\$571	544	\$299		
							GIS	\$ 13,500
							Insurance	\$ 10,000
							Liftstation	\$ 7,500
	TOTAL	148,758	22,314	\$7,810	7,438	4,091	O & M Subtotal	\$ 137,901
								Operating/Maintenance: \$ 140,000
								Wages (as approved by VB): \$ 45,193
								Debt/infiltration/Overrun \$ 20,000
								MMSD: \$ 369,849
								GRAND TOTAL \$ 575,042

Next the variable charge was reviewed to come up with an average volume rate plus a 2% increase:

VARIABLE CHARGE

2016				Total	Amount
1ST Quarter		Gallons	Amount	Volume	/Volume =
				/1,000	Rate
	UD1	20,485,000	\$ 67,953	20,485	\$ 3.32
	UD2	1,599,000	\$ 8,795	1,599	\$ 5.50
	AVERAGED	22,084,000	\$ 76,748	22,084	\$ 3.48
2016				Volume/	Amount/Volu
2nd Quarter		Gallons	Amount	1,000	me = Rate
	UD1	22,674,000	\$ 75,088	22,674	\$ 3.31
	UD2	1,550,000	\$ 8,525	1,550	\$ 5.50
	AVERAGED	24,224,000	\$ 83,613	24,224	\$ 3.45
2016				Total	Amount/Volu
3rd Quarter		Gallons	Amount	Volume/	me = Rate
	UD1	25,427,780	\$ 84,080	25,428	\$ 3.31
	UD2	1,660,000	\$ 9,130	1,660	\$ 5.50
	AVERAGED	27,087,780	\$ 93,210	27,088	\$ 3.44
2016 ANNUAL				Volume/	Amount/Volu
AVERAGED		Gallons	Amount	1,000	me = Rate
	UD1	91,449,040	\$ 302,829	91,449	\$ 3.31
	UD2	6,412,000	\$ 35,266	6,412	\$ 5.50
	2016 AVG.	97,861,040	\$ 338,095	97,861	\$ 3.45

2016 avg with a 2% increase = \$ 3.52
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Then we looked at the residential fixed charge to come up with an average with a 2% increase:

FIXED CHARGE - Residential

2016		# of		Amount/
1ST Quarter		Units	Amount	Unit = Rate
	UD1	1,332	\$ 43,927	\$ 32.98
	UD2	143	\$ 4,642	\$ 32.46
	AVERAGED	1,475	\$ 48,569	\$ 32.93
2016		# of		Unit =
2nd Quarter		Units	Amount	Rate
	UD1	1,349	\$ 43,690	\$ 32.39
	UD2	144	\$ 4,726	\$ 32.82
	AVERAGED	1,493	\$ 48,416	\$ 32.43
2016		# of		Amount/
3rd Quarter		Units	Amount	Unit = Rate
	UD1	1,437	\$ 44,421	\$ 30.91
	UD2	145	\$ 4,620	\$ 31.86
	AVERAGED	1,582	\$ 49,042	\$ 31.00
2016 ANNUAL		# of		Unit =
AVERAGED		Units	Amount	Rate
	UD1	1,373	\$176,051	\$ 128.25
	UD2	144	\$ 18,651	\$ 129.52
	2016 AVG.	1,517	\$194,702	\$ 128.38
2016 annual average with a 2% increase =				\$ 130.94
Quarterly Fixed Charge			\$ 32.74	

The unmetered rate would then include two components, the fixed charge and the average volume charge to determine the average quarterly bill:

Metered Residential Average		Unmetered residential costs should equal the cost of a metered residential unit (REU) cost of the fixed and variable charge.
Fixed Metered Rate	\$ 32.74	
13,000 gallons @ \$3.52	\$ 45.76	
AVERAGE Quarterly Bill	\$ 78.50	Avg residential unit volume: 13,000 gallons

Based upon these rates a revenue projection was completed:

TOTAL REVENUE PROJECTIONS:	
Residential Revenue	\$ 445,160
Large Meter Revenue	\$ 123,044
Total Revenue	\$ 568,204 **
Required Revenue	\$ 575,042
Difference:	\$ (6,838)

The revenue projections do not include the revenues from public authority nor does it include a growth assumption.

Based upon the review of the current fiscal year and the revenues required and the existing rates I, along with the Utility Commission, recommend the following rate structure for the Windsor Sewer Utility as of January 1, 2017:

Windsor Sewer Utility

Unmetered Rate	
Unmetered Residential	\$ 78.00
Quarterly	
Metered Rate	
5/8-3/4"	\$ 32.74
1"	\$ 81.85
1 1/2"	\$ 163.70
2"	\$ 261.82
3"	\$ 491.10
4"	\$ 818.50
6"	\$ 1,637.00
Per 1,000 gallons	\$ 3.52

Suburban Rates	
5/8-3/4"	\$ 36.32
1"	\$ 90.80
1 1/2"	\$ 181.60
2"	\$ 261.92
3"	\$ 544.80
Per 1,000 gallons	\$ 4.16

The Sewer Utility Ordinance suggests rate review biennially; however, as 2017 will be the first year as the Windsor Sewer Utility with the combined prior sanitary districts I highly recommend reviewing again in 2017. Windsor will want to ensure the new Sewer Utility rates provide sufficient income to maintain the required revenues needed for the operation of the Windsor Sewer Utility.