
Weston Municipal Utilities 2018 Budgets and Rate Proposals

Report Date: 11/20/2017

Revision 1 - 01/08/2018

Revision 2 – 01/29/2018



Sewer Utility Rates Overview



Sewer Rate Background

- Last Sewer Rate Increase was 2015
 - Village Resolution No. 2015-03 (Approx. 8%)

- MSA Retained to Review Sewer Use Ordinance and Rates in 2017.



Sewer Rate Background

- MSA Recommendations
 - 17% volume charge increase
 - 14% meter base charge increase
 - 2.5% annual increases thereafter.

- Decision was to defer increase to be concurrent with water rate increase.



Sewer Increase Factors

- Bond coverage ratio was estimated to be below 1.25 in 2017 (revenue/expenses net of depreciation and debt service)
- Major maintenance is needed to preserve the capacity of the collection system

If bond coverage ratio stays below 1.25 with no effort to improve, the utility risks being downgraded in risk ratings and increasing its future borrowing rates.

Sewer Increase Factors

- Collection system Assessments
 - interceptor sewers (2017) #* \$127,000
 - smaller mains annually \$ 50,000
- Sewer system maintenance
 - Estimated annual outlay \$ 50,000
- Administration
 - Planning study in 2018 – est.* \$110,000
 - GIS Technician \$ 30,000
 - Utility Clerk Trainee \$ 28,000
 - Added income for debt coverage \$135,000

= 2017 expense

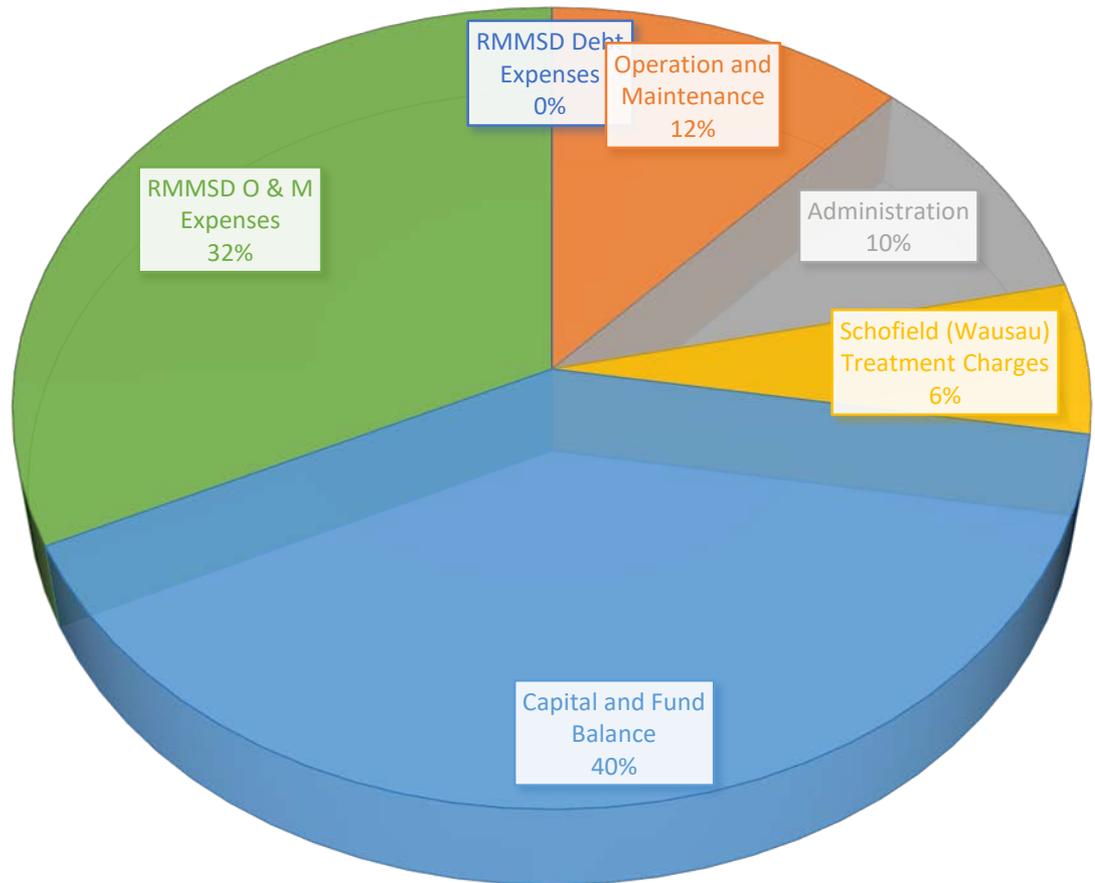
* = Costs to be normalized/averaged

INCREASE FROM 5 yr. AVE. ≈ \$370,000



WHAT YOUR SEWER UTILITY DOLLAR PAYS FOR 5 YR. HISTORY 2013 - 2017

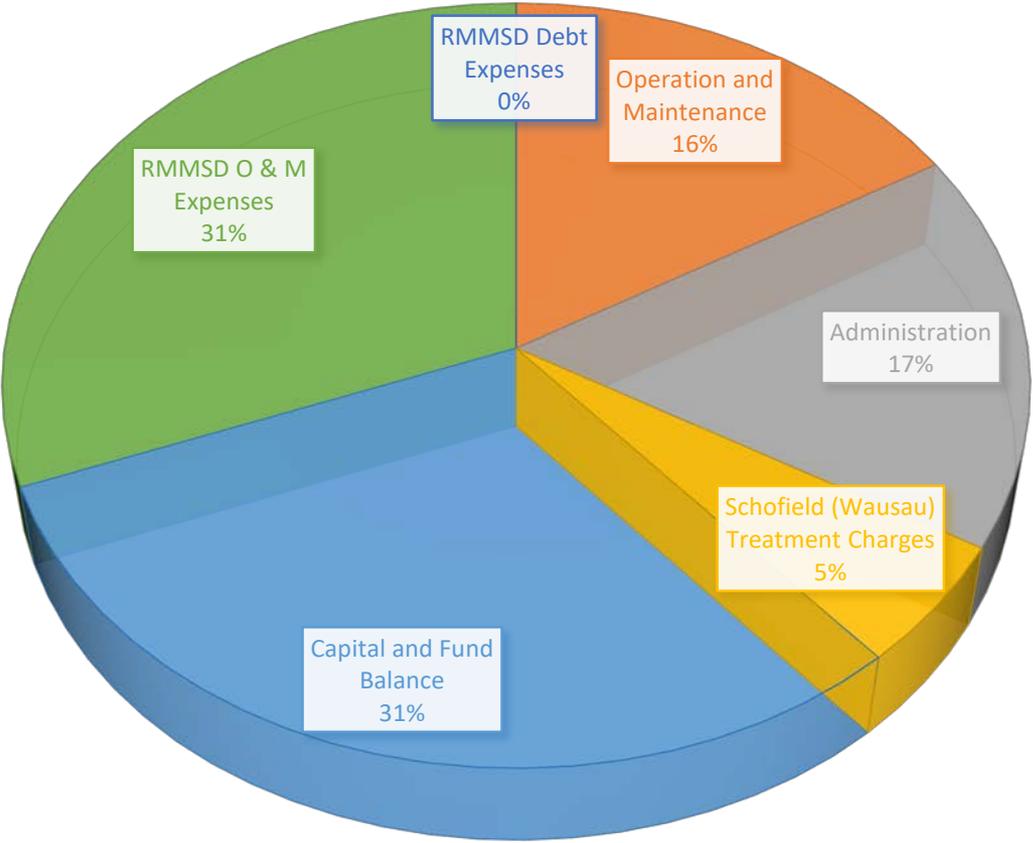
| EXPENSE CATEGORY | 5-year Average; '13 - '17 |
|--------------------------------------|---------------------------------|
| RMMSD Debt Expenses | - |
| Operation and Maintenance | 229,591 |
| Administration | 185,699 |
| Schofield (Wausau) Treatment Charges | 117,241 |
| Capital and Fund Balance | 779,389 |
| RMMSD O & M Expenses | 618,163 |
| TOTAL | 1,930,083 |



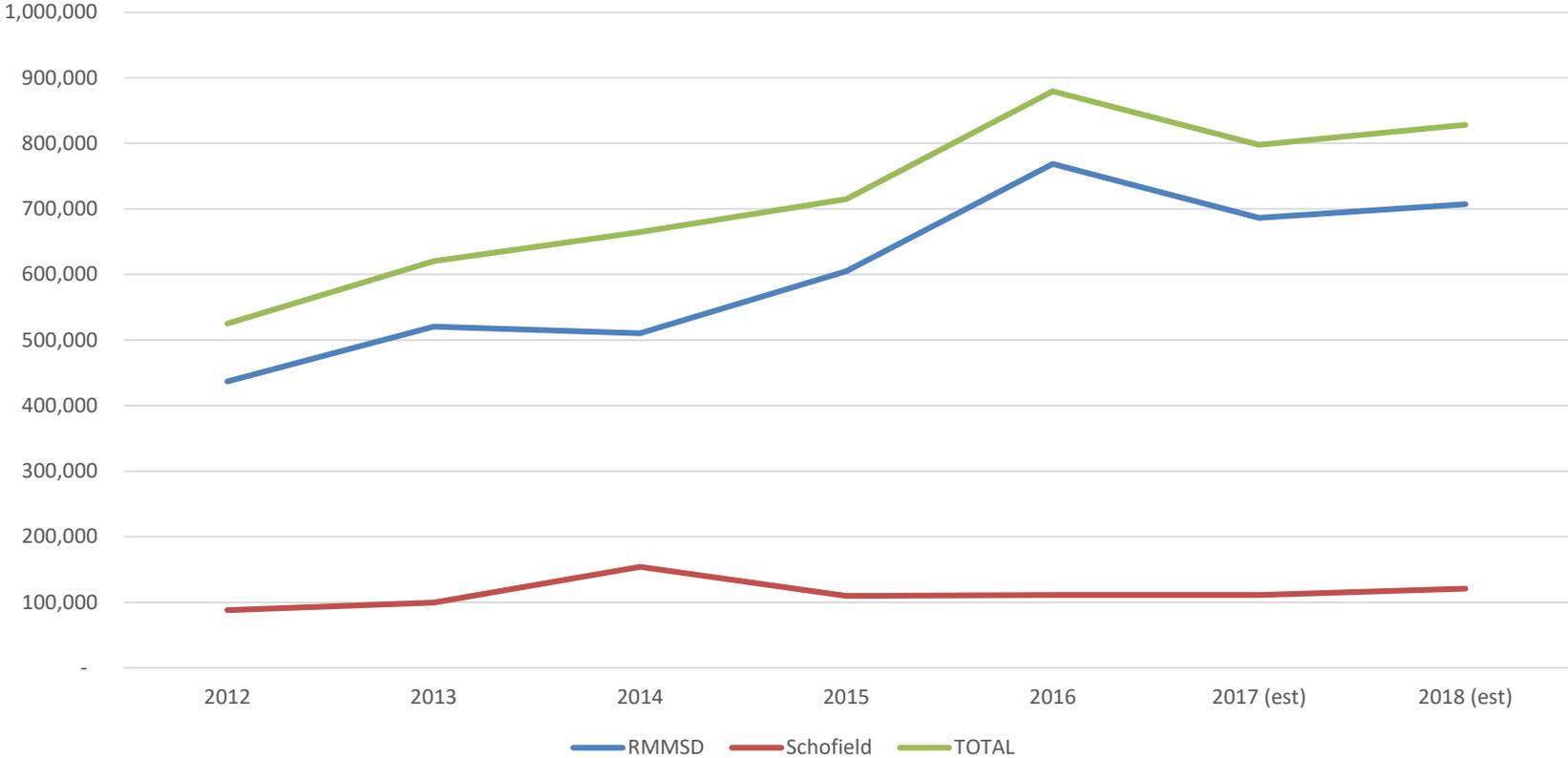
WHAT YOUR SEWER UTILITY DOLLAR PAYS FOR AFTER PROPOSED INCREASE

EXPENSE CATEGORY 2018 Budget

| | |
|---|------------------|
| RMMSD Debt Expenses | - |
| Operation and Maintenance | 379,484 |
| Administration | 387,325 |
| Schofield (Wausau) Treatment Charges | 120,882 |
| Capital and Fund Balance | 703,441 |
| RMMSD O & M Expenses | 707,133 |
| TOTAL | 2,298,265 |



**Weston Sewer Utility
Annual Treatment O&M \$\$**



| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 (est) | 2018 (est) |
|------------------|----------------|----------------|----------------|----------------|----------------|-------------------|-------------------|
| RMMSD | 436,897 | 520,584 | 510,262 | 605,086 | 768,371 | 686,512 | 707,133 |
| Schofield | 88,056 | 99,785 | 154,171 | 109,893 | 111,120 | 111,237 | 120,882 |
| TOTAL | 524,953 | 620,369 | 664,433 | 714,979 | 879,491 | 797,749 | 828,015 |

WESTON SEWER UTILITY

PROJECTED RATE INCREASE

| EXPENSE CATEGORY | 5-year Average; '13 - '17 | 2018 Budget | Difference |
|---|--------------------------------------|--------------------|-------------------|
| RMMSD Debt Expenses | - | - | - |
| Operation and Maintenance | 229,591 | 379,484 | 149,893 |
| Administration | 185,699 | 387,325 | 201,626 |
| Schofield (Wausau) Treatment Charges | 117,241 | 120,882 | 3,641 |
| Capital and Fund Balance | 779,389 | 703,441 | (75,948) |
| RMMSD O & M Expenses | 618,163 | 707,133 | 88,970 |
| TOTAL | 1,930,083 | 2,298,265 | 368,182 |

Sewer Rate Process/Status

- Final review of rate by staff
- Adopt rate by ordinance of the BOT

