
Weston Municipal Utilities Capital Budget Discussion

Report Date: 01/29/2018



Community Benefits

- Public Health
 - Clean drinking water
 - Sanitation
- Quality of Life
 - Fire Protection
 - Environmental Protection
- Natural “Monopolies”
 - Scale too large for individuals
 - Very capital intensive



What are the Utility's Capital Assets?

- **Water Utility**

- Mains, Valves, Hydrants, Wells, Storage Tanks, Equipment

- **Sewer**

- Mains, Manholes, Force mains, Pumping Stations, Equipment

- **Storm Sewer**

- Mains, Manholes, Inlets, Detention Basins, Curb?

UTILITY	TOTAL ASSET VALUE (millions)	MILES OF MAINS
WATER	\$24.3	110
SEWER	\$25.1	102
STORM SEWER	\$ 9.5	62

Utility Capital Budget Background

- Utilities are rate supported enterprises of the Village (Generally) Exclusive of Tax Roll
- OUT of SIGHT, OUT of MIND?
- American Water Works Association video “Buried No Longer”
 - <https://www.awwa.org/legislation-regulation/issues/infrastructure-financing.aspx>



Overall Message

- \$1 trillion infrastructure replacement need for water utilities alone through 2040 (2015 est.)
- Need financing strategy – rates, borrowing, loans, grants, TIF
- Utility rates will go up
- “Postponing investment only makes the problem worse.” Make timely investments.
- Original investment in infrastructure was from people who came before us.



How Are Utility Assets Paid For?

- Original Creation of Utility
 - Likely from users (rates), special assessments, and government grants
- Continued Operation
 - New Development – “contributed property, rates
 - Replacement of worn out assets – rates, grants, special charges/fees/assessments
 - Increased capacity for growth – rates, grants, impact fees, special assessments



Capital Improvements Plan (CIP)

- Overarching Needs
 - Communication/Purpose – “*under construction*”
 - Identification of Projects ✓
 - Prioritization of Projects
 - Financing/Funding Strategies
 - Commitment to Plan



Utility CIP Projects

■ Purpose

□ Maintain Ability to Provide Service at Desired Level (Capacity and Resiliency)

- Water Supply – Quantity, Quality
 - Storage, Distribution, Treatment, Fire Protection
- Sewerage System – Capacity, Environmental
- Storm Sewer System – Capacity, Environmental
 - Facilities capacity, environmental compliance

□ Regulatory Compliance

- Water Supply - valve operation, water quality
- Sewerage System - treatment costs, phosphorous
- Storm Sewer – suspended solids, phosphorous



Village CIP Projects

■ Identification of Projects

□ Identified

- 36 non-TIF - \$67,000,000
- 27 TIF - \$74,800,000

□ Utility Highlights

■ Water Capacity

- Well #7, Summit tank replacement

■ Water Quality

- Manganese/iron removal Well #5, air stripper at treatment plant, replacement of AC pipe,

■ Resiliency

- 2nd crossing of Eau Claire River, convert sewage pumping stations to submersible, SCADA upgrades, routine main replacements, sewer/water main renewal options



Capital Improvements Plan (CIP)

■ Prioritization of Projects

□ Need process

■ Justification - Engineering studies

- Water System and Water Quality Investigation
- Sewer System
- Streets evaluation – PASER
- Storm Sewer – deficiencies and regulatory compliance

■ Order of Priority

□ Develop Criteria

- Funding source(s), economic benefits, public safety, public health, quality of life, financial capacity, etc.

■ Include appointed and elected officials in identifying priorities.



Capital Improvements Plan (CIP)

- Financing Funding Strategies
 - Utility Rates
 - Revenue Bonds, fund balance,
 - Debt Service – G.O. debt on tax roll
 - Special Charges
 - e.g., Transportation Utility, Storm Water Utility, Wheel Tax
 - Impact Fees
 - Tax Increment Financing (TIF)
 - Grants
 - Subsidized Loans
 - Other?



Capital Improvements Plan (CIP)

- Related Policy Matters
 - Utility Fund Balance Policy
 - Main Extension Policy – Village participation?
 - Standard Specifications – build to last
 - Subdivision Standards, e.g., street connections
 - Special Assessment Policy
 - Staffing Levels – need capacity to deliver



Capital Improvements Plan (CIP)

■ Commitment to Plan

- Dependent on all appointed and elected officials.
- What are Consequences if we Don't?
 - Return Streets to gravel surfaces?
 - Water Outages
 - Sewer Backups

■ We cannot Stay Buried Any Longer