



## Town of Verona Utility District Commission

November 11, 2017

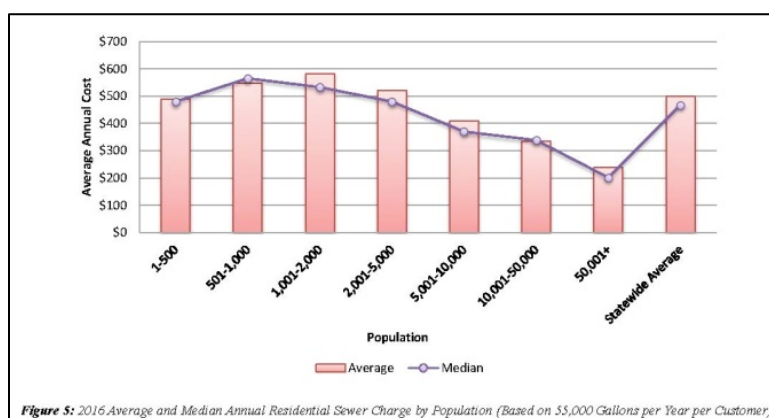
Dear Town of Verona Sewer Utility District Customer:

Last year the annual sewer fees were raised for a third consecutive year to cover increasing costs for sewer treatment by the Madison Metropolitan Sewer District (MMSD), the expense of televising the system on a continuous basis, and making much needed repairs based on the results of televising. In 2013, the Town of Verona Utility Commission transferred \$18,400 from capital reserves to fund televising and repairs in 2014. In 2015, the Commission transferred \$36,000 from reserves to fund televising and repairs. Likewise, the Commission used \$9,774 of capital reserves in 2016 for ongoing repairs and televising.

The cleaning and televising completed earlier in 2016 has revealed a manhole that has sunken approximately 6". A soil boring was conducted next to the structure for analysis; the engineering report concluded that the manhole was likely set in place before the sandy soil was adequately dewatered which caused it to settle. Although the structure is stable per the Engineer's conclusion, there is a risk of failure that must be remedied. Quotes for repair or replacement range from \$34,000 to \$39,500; capital expenses above \$25,000 require the Town Utility District to put the project out for bid. The Town plans to advertise for bids this coming February, 2017.

The Madison Metropolitan Sewerage District Commission met yesterday to discuss and set 2017 rates; they estimate an increase of \$3,657 over their 2016 rates for the Town of Verona customers. Our current Utility District Reserve fund balance is \$66,380.98. \$40,000 of that balance represents a Certificate of Deposit that will not come to maturity until September of 2017. Assuming the continuation of rates approved last year, \$31,721 would need to be drawn from capital reserves to cover projected expenses.

At the October 26, 2016 Town of Verona Financial Sustainability Committee meeting, the members discussed the financial challenges faced by the Utility District. They reviewed a publication from MSA Professional Services entitled The Cost of Clean: 2016 Wisconsin Sewer User Charge Survey. Systems serving a comparable number of customers to ours charge \$490 on average for the base residential rate per year; by comparison, our 2016 rate is \$273 per year.

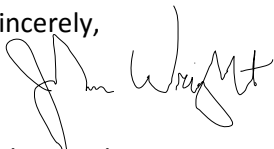


The Financial Sustainability Committee requested that I prepare the table below that assumes three rate increases to the base rate.

Sewer District Fees 2017						
Unit type	current annual fee		\$60 increase to base	\$80 increase to base	\$100 increase to base	Monthly increase @ \$80
single family	\$ 273.00		\$ 333.00	\$ 353.00	\$ 373.00	\$ 29.42
duplex	\$ 477.75		\$ 582.75	\$ 617.75	\$ 652.75	\$ 51.48
3 unit	\$ 614.25		\$ 749.25	\$ 794.25	\$ 839.25	\$ 66.19
4 unit	\$ 819.00		\$ 999.00	\$ 1,059.00	\$ 1,119.00	\$ 88.25
8 unit	\$ 1,638.00		\$ 1,998.00	\$ 2,118.00	\$ 2,238.00	\$ 176.50
commercial	\$ 303.00		\$ 363.00	\$ 383.00	\$ 403.00	\$ 31.92
Income based on # of units	units					
single family	93		\$ 30,969.00	\$ 32,829.00	\$ 34,689.00	
duplex	11		\$ 6,410.25	\$ 6,795.25	\$ 7,180.25	
3 unit	2		\$ 1,498.50	\$ 1,588.50	\$ 1,678.50	
4 unit	3		\$ 2,997.00	\$ 3,177.00	\$ 3,357.00	
8 unit	1		\$ 1,998.00	\$ 2,118.00	\$ 2,238.00	
commercial	5		\$ 1,815.00	\$ 1,915.00	\$ 2,015.00	
<b>Total Units</b>	<b>115</b>					
	\$ 37,722.75		\$ 45,687.75	\$ 48,422.75	\$ 51,157.75	
new quarterly amount \$60 times .75	\$60 increase	\$83.25 \$62.44				
new quarterly amount \$80 times .75	\$80 increase	\$88.25 \$66.19				
new quarterly amount \$100 times .75	\$100 increase	\$93.25 \$69.94				

The Utility District Commission will discuss and adopt the best strategy for addressing much needed repairs and rebuilding the Capital Reserve Fund for future costs following the Annual Public Hearing for the Utility District that is scheduled for 6:00 PM on Tuesday, November 22, 2016. The Public Hearing and Utility District meeting to follow will be held at the Town of Verona Hall located at 335 N. Nine Mound Road. You are encouraged to attend and learn more about issues being faced. If you have questions, please feel free to contact me at 845-7187 or [jwright@town.verona.wi.us](mailto:jwright@town.verona.wi.us).

Sincerely,



John Wright  
Clerk/Treasurer