COMMON COUNCIL
CITY OF WAUPUN, WISCONSIN

RESOLUTION NO. 08-20-19-01

RESOLUTION AUTHORIZING LOWER PROPERTY TAX EQUIVALENT FOR THE WATER UTILITY

WHEREAS, the City of Waupun recognizes the importance of investing in replacing aging water infrastructure while maintaining affordable water utility rates for residential, commercial, and industrial customers;

WHEREAS, under Wisconsin statutes municipally owned water and electric utilities in Wisconsin are subject to a payment in lieu of local general property taxes, or property tax equivalent; and

WHEREAS, the water property tax equivalent has increased $197,842 or 114% from $174,132 to $371,974 annually since the new water treatment plant was built in 2007; and

WHEREAS, for every $1,000,000 invested in replacing aging infrastructure the water utility property tax equivalent increases by approximately $18,000; and

WHEREAS, water sales consumption have declined since 2007 from water conservation and from higher than average existing water rates; and

WHEREAS, the water property tax equivalent payment represents a substantial portion of the revenue requirement at 14.4% of total water revenues in 2018 and is projected to increase to 16.2% of total water revenues in 2022 making it difficult to continue to replace aging infrastructure without a rate increase; and

WHEREAS, the City of Waupun previously provided financial relief by authorizing a lower water utility property tax equivalent for the years 2015 through 2017 in the amount of 13.5% of total annual water revenues.

NOW, THEREFORE, BE IT RESOLVED, that the City of Waupun authorizes a lower water utility property tax equivalent in the amount equal to 14% of total annual water revenues effective the calendar year 2019 through 2026.

Adopted this 20th day of August, 2019

Julie J. Nickel, Mayor

ATTEST:

Angela J. Hull, City Clerk