

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

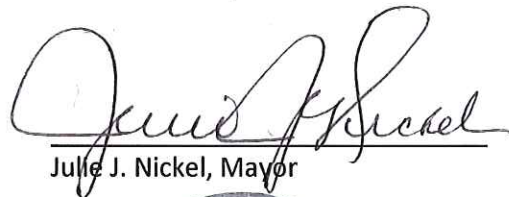
**WHEREAS**, water sales consumption have declined since 2007 from water conservation and from higher than average existing water rates; and

**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 20<sup>th</sup> day of August, 2019

  
Julie J. Nickel, Mayor

ATTEST:

  
Angela J. Hull, City Clerk

