



817 South Madison Street
Waupun WI 53963

PHONE: 920.324.7920
FAX: 920.324.7922
www.waupunutilities.com

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Dear Waupun Utilities Customer:

Waupun Wastewater Utility Process Upgrade and Rate Impact Open House

Waupun Utilities invites you to an Open House on December 18, 2019 at 6:00 pm to learn more about a planned Wastewater Treatment Plant improvement project and customer rate changes. The Utility Wastewater Treatment Plant (Utility) is required to meet new stringent phosphorus requirements mandated by the U.S. Environmental Protection Agency and Wisconsin Department of Natural Resources (DNR) by 2025. To meet these strict standards, the Utility hired engineering firm Applied Technologies to complete a Preliminary Engineering Report to determine the recommended technology and treatment process to meet reduced effluent phosphorus limits.

It was determined that the Utility will be unable to meet the new level of effluent phosphorus limits with only operational improvements and minor facility modifications. In addition, the DNR confirmed that new limits are likely to be imposed for Total Nitrogen within the 20-year planning period.

Several compliance options were considered and screened for technical feasibility. Following a life cycle cost evaluation and pilot testing, the recommended treatment process is Advanced Biological Nutrient Recovery (ABNR). The ABNR system is an algae-based system capable of recovering phosphorus and nitrogen into harvested algal biomass.

The costs to construct and install the ABNR system and related upgrades are significant and projected at \$32 million. In anticipation of a wastewater plant facilities upgrade, the Utility submitted for a USDA Rural Development (USDA) loan and grant to finance the facility improvements and was successful. The Utility was awarded a USDA loan at 2.4% in the amount of \$22,807,000 and a grant in the amount of \$9,479,000.

The cost to comply with these new standards is significant and it requires a sewer rate increase to pay for the improvements. A rate study was completed during 2019 and the findings require a 32.2% rate increase by 2023 to fund the first year of debt repayment. To minimize the rate impact, the rate adjustment will be implemented over a four-year period at an annual increase of approximately 7.23% starting April 1, 2020.

A resolution approving a sewer rate increase was approved by the Waupun Utility Commission during its regular meeting on November 11, 2019. The resolution recommends the City of Waupun Common Council approve an ordinance to amend the sewer rates contained in Section 12.06(5) of the Municipal Code of the City of Waupun as required. Common Council will hear the first reading of this resolution at its January 14, 2020 regularly scheduled meeting.

Please join us at the Open House at the Utility office at 817 S. Madison St to learn more. During the Open House, staff and industry experts will provide more details on the ABNR system being implemented to meet new phosphorous limits, along with providing further detail on the sewer rate study and customer rate impact.

The next page provides further information on present and proposed sewer rates along with a monthly bill comparison. If you have questions prior to the Open House, please call us at 324-7920 or visit our website at www.waupunutilities.com/wastewater-treatment-plant-upgrade for more information.

Sincerely,

Randy Posthuma
General Manager
Waupun Utilities