

Background Information for Hudson’s Utility Increase

Hudson’s water and wastewater systems need urgent repairs to prevent failures and protect public health. After two near-emergencies in recent years, an engineering study estimated \$5.8 million in necessary repairs and replacements. State law requires utility systems to be fully funded by user rates. While the Town will seek grants and loans to reduce costs, some increase in water and sewer rates is necessary to secure funding and keep our systems safe and reliable.

Following is an itemized list supporting the condition of our water and sewer funds:

WATER:

SEWER:

Fiscal Year	Description	Balance:		Fiscal Year	Description	Balance:	TOTAL DEFICIT
2022-2023	Water Enterprise Fund Revenue	147,860		2022-2023	Sewer Enterprise Fund Revenue	54,119	
	Water Treatment Plant, Dist. Operation Costs & Maintenance Expenses	168,690			Sewer Operation Costs & Maintenance Expenses	54,556	
	2022-2023 Fund Deficit:	-20,830			2022-2023 Fund Deficit:	-437	-21,267
2023-2024	Water Enterprise Fund Revenue	157,133		2023-2024	Sewer Enterprise Fund Revenue	59,046	
	Water Treatment Plant, Dist. Operation Costs & Maintenance Expenses	296,795			Sewer Operation Costs & Maintenance Expenses	47,134	
	2023-2024 Fund Deficit:	-139,662			2023-2024 Fund Balance:	11,912	-127,750
2024-2025	Water Enterprise Fund Revenue	190,935		2024-2025	Sewer Enterprise Fund Revenue	65,322	
	Water Treatment Plant, Dist. Operation Costs & Maintenance Expenses	379,882			Sewer Operation Costs & Maintenance Expenses	17,112	
	2024-2025 Fund Deficit:	-188,947			2024-2025 Fund Balance:	48,210	-140,737

A Midwest Assistance Program study shows that without grants or loan forgiveness, monthly utility rates would need to rise to \$160.

OVER



WHAT IS THE TOWN DOING TO ADDRESS THESE PROBLEMS?

Wastewater Project: Apply for State grants and loans in addition to federal funding (SRF Funds, Rural Development, MRG, ED) to reduce the town's costs of the \$5.8 million project.

Water Treatment Plant: Level I Wyoming Water Development Study Results: the functionality of the WTP faces obstacles including obsolete submerged membranes, a complex system that requires high level of qualified operators, and both water storage tanks need upgrades, and recommended rate increases and the following costs:

- | | |
|--|-------------|
| 1) High Priority Projects (2026): | \$268,000 |
| 2) Level II Study grant funded (2026): | \$ 0 * |
| 3) Water Storage Tank Improvements (2028): | \$133,000 |
| 4) Medium Priority Projects (2030): | \$146,000 |
| 5) Well Improvements (2032): | \$183,000 |
| 6) Regional Connection (2033): | \$223,000 |
| 7) Water Main Projects (2040): | \$1,567,000 |

*Hudson applied for a Level II Wyoming Water Development Study to research reduction of our operating and maintenance costs and identify an improved water source.

Reduce the base water usage from 9,000 gallons to 4,000 gallons.

Equalize commercial customers water and sewer rates to ensure fairness and consistent billing.

Increase residential water and sewer rates: \$5.00 each for water and sewer.

Future increases every July 1 for the next 4 years: \$5.00 each for water and sewer.