

INFORMATION ITEM

Survey of Municipal Residential Wastewater Rates

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Environment Committee: August 11, 2015



Today's Agenda

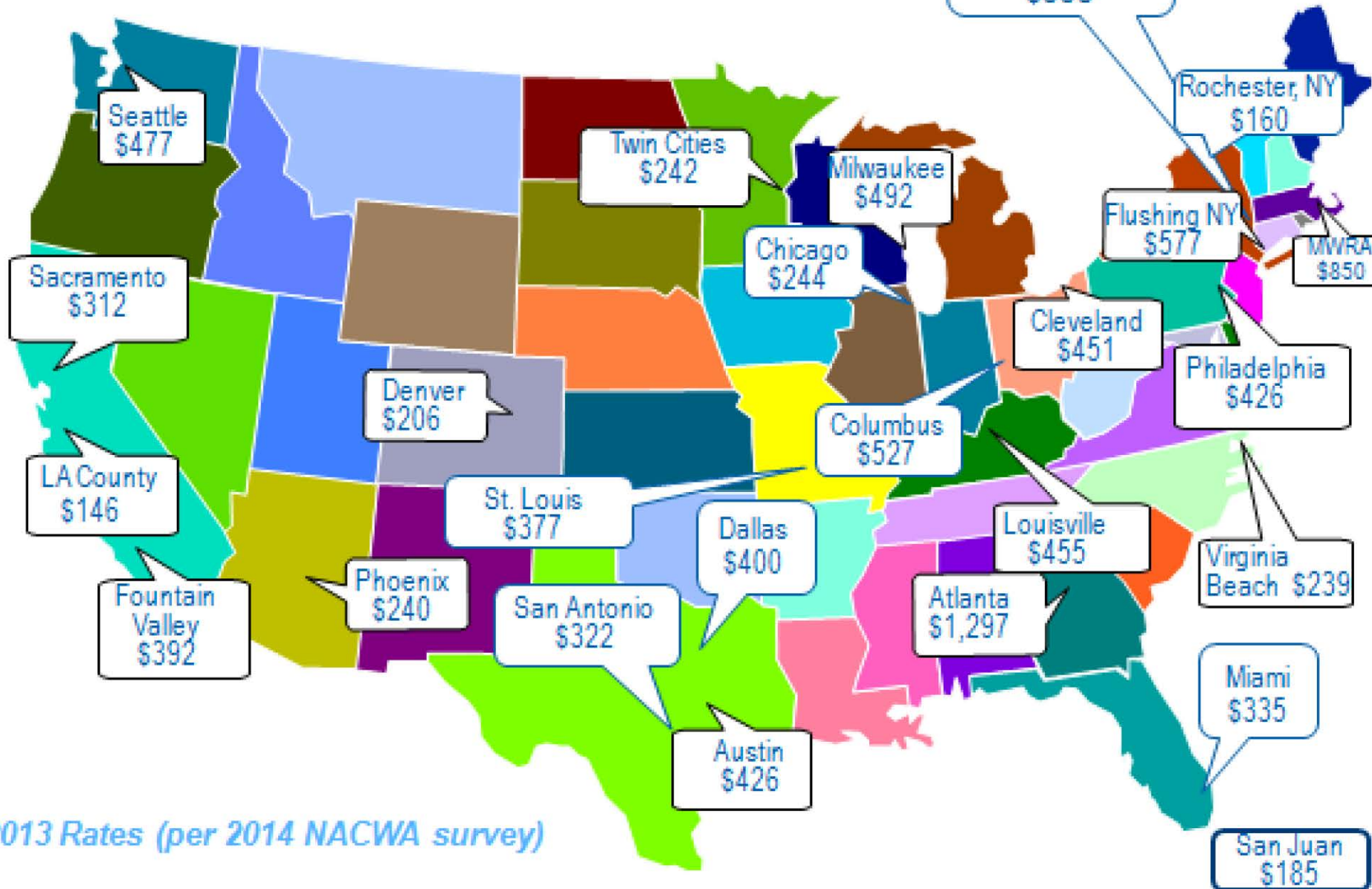
- Overview
- Map
- Historical average sewer charges per household
- Cities with the 10 highest and lowest charges
- Types of rates
- Questions

Overview

- Biennial survey of retail sewer charges by community
 - 107 communities in 2014
 - Includes the wholesale cost from MCES plus city charges that fund local sewer costs
- Survey conducted in even numbered years
- Survey has been done for over 30 years
- Since 1986 the study has focused on sewer charges to a single-family detached house
- Conducted mainly to see how retail rates compare locally and nationally
- About 60% of the average retail sewer charge per household is paid to MCES (e.g., \$150 of \$255 in 2014)

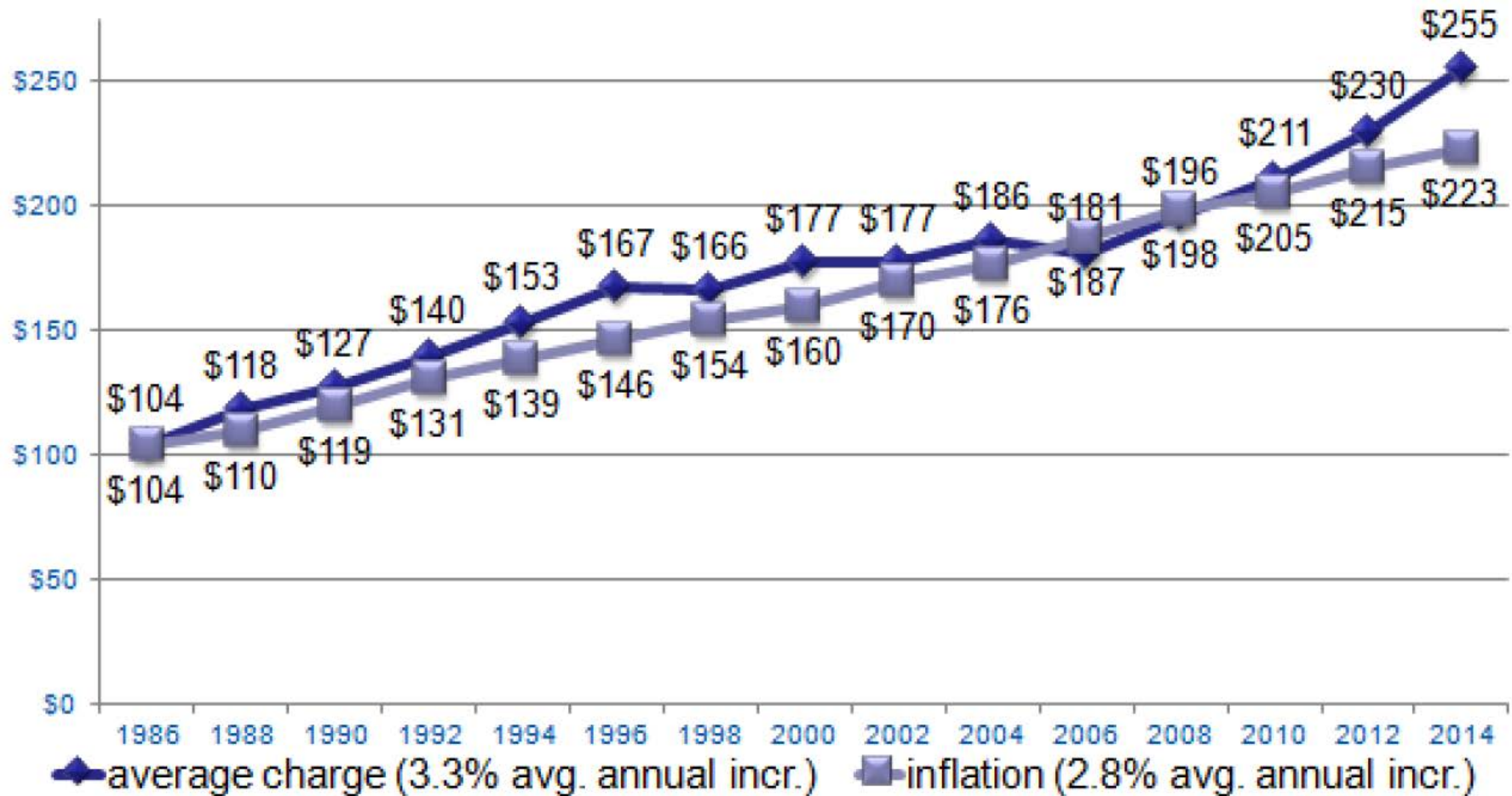
Comparative Information

25 peer city average retail sewer rate per household = \$404

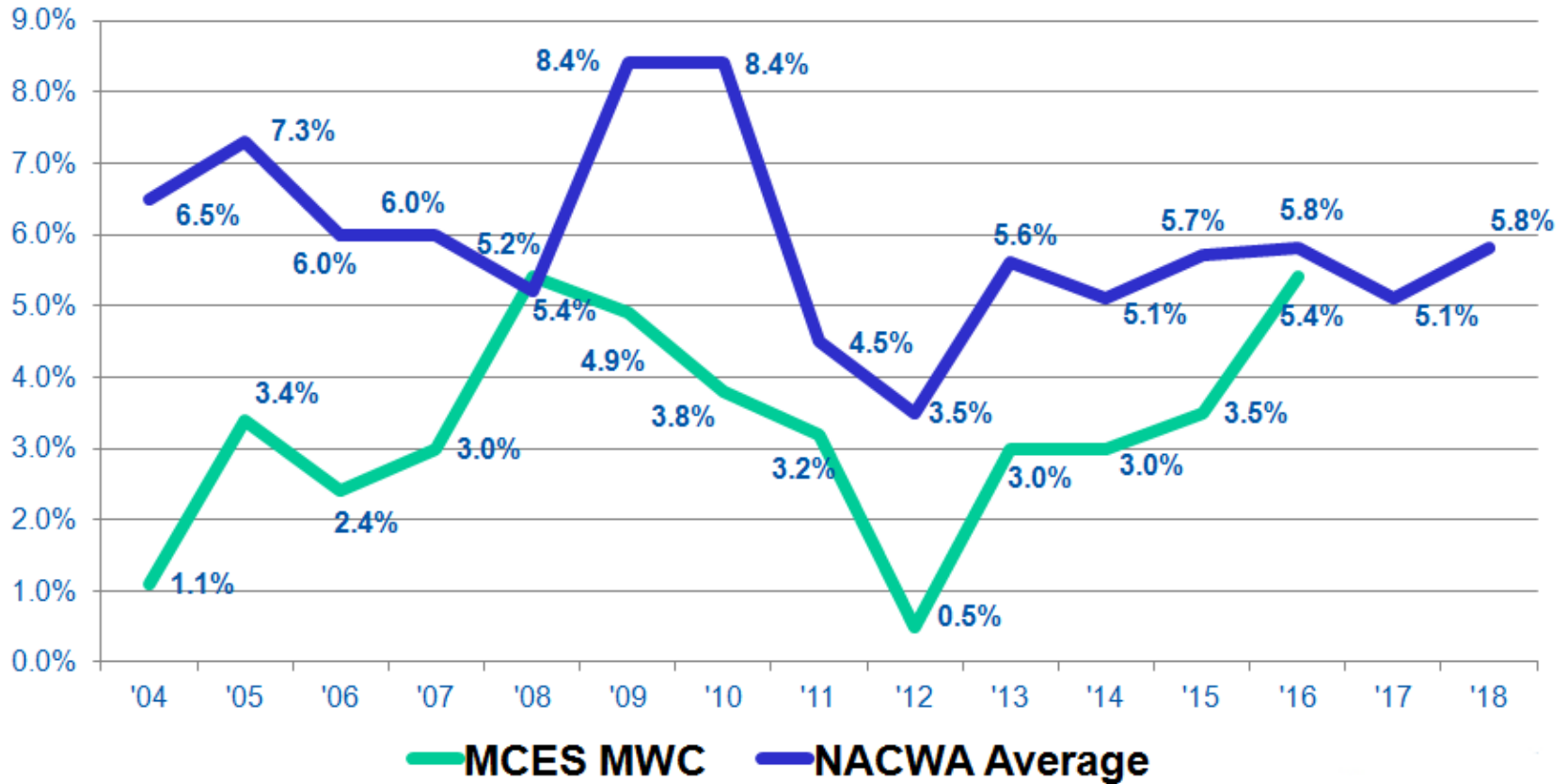


2013 Rates (per 2014 NACWA survey)

Historical Average Sewer Charges - per H.H.



Increases Compared to NACWA Average



Highest Charges per Household

City	2014
Independence	\$672
Greenfield	\$663
Maple Plain	\$516
Tonka Bay	\$507
Orono	\$504
Columbus	\$438
Excelsior	\$435
Long Lake	\$425
Waconia	\$412
Mound	\$410

Weighted average for metro area = \$255

Minneapolis = \$305

St. Paul = \$306

Lowest Charges per Household

City	2014
North Oaks	\$107
Savage	\$129
Dayton	\$146
Mendota	\$160
Gem Lake	\$172
Blaine	\$179
Hilltop	\$180
Brooklyn Park	\$184
Shakopee	\$184
Rosemount	\$187

Weighted average for metro area = \$255

Minneapolis = \$305

St. Paul = \$306

Types of Rates

In 2014, communities reported several types of rates that are charged to residential customers:

Rate Type	# of communities using this type
Base/uniform rate	44
Flat charge	24
Base/increasing block rate	18
Uniform rate	14
No residential sewer rates	3
Increasing block rate	2

Flat Charges

Typically, flat charges discourage water conservation. So the reduction in flat-rate charges since 2006 is a positive sign.

Year	% of households that are charged a flat rate
2006	19.0%
2008	18.0%
2010	15.2%
2012	11.5%
2014	8.6%

Questions

Link to Survey:

[http://metro council.org/Wastewater-Water/Funding-Finance/Rates-Charges/Competitiveness-\(1\).aspx](http://metro council.org/Wastewater-Water/Funding-Finance/Rates-Charges/Competitiveness-(1).aspx)