

Business Item: 2020-203

Adoption of MCES Wastewater Rates and Charges

Matt Gsellmeier, ES Budget Manager

Environment Committee: July 14, 2020



Proposed Action

That the Metropolitan Council adopt the wastewater rates and charges outlined on page one of the business item, to be effective January 1, 2021.

Overview

- 2021 Rate Setting Schedule
- Customer Webinars ←
- 2021 Executive Summary
- Proposed 2021 Sources & Uses
- Debt Service
- Sewer Availability Charge (SAC)
- Industrial Rates
- Questions

Welcome to the **2020 Customer Budget Webinar.**



You are muted and your video is disabled upon entry.



Please utilize the "chat box" to type in comments or questions throughout the session. Questions will be answered after the presentation during the Q & A session.



If you experience any technical difficulties, please call 512.685.2958 or email Hannah.Lang@hdrinc.com.

The webinar will begin at **9 a.m.**



2021 Rate Setting Schedule

- Industrial Workshops – emailed due to COVID-19
- May 12: Environment Committee Direction for Public Meetings
- Municipal Customer Forums*
 - May 21: WebEx / Virtual Meeting
 - June 11: WebEx / Virtual Meeting
- **July 14: Environment Committee Review of Customer Input and 2021 Rate Adoption Recommendation**
- July 22: Council Rate Adoption
- Aug 12: Council – Division Level Budget Presentation
- Aug. 26: Council Preliminary Operating Budget Adoption
- August – December: Public Comment Period
- Dec 9: Council Final Operating Budget Adoption

Customer Webinars

- Two Customer Budget Webinars were held (May 21 and June 11)
- Preliminary Municipal Wastewater Charges (MWCs) sent mid-May to each of our 110 communities

- Welcome!
- 2021 Budget and Finance
- MWC Calculation & Customer Portal
- Capital Program
- Questions and Discussion



Meet the presenters of the
2020 Customer Budget Webinar.



Anna
Bessel



Charlie
Zelle



Ned
Smith



Kyle
Colvin



Jeannine
Clancy



Record attendance!
86 attendees from 40+ communities



2021 Executive Summary

(No changes from May 12 Environment Committee)

- Proposed Sources & Rates

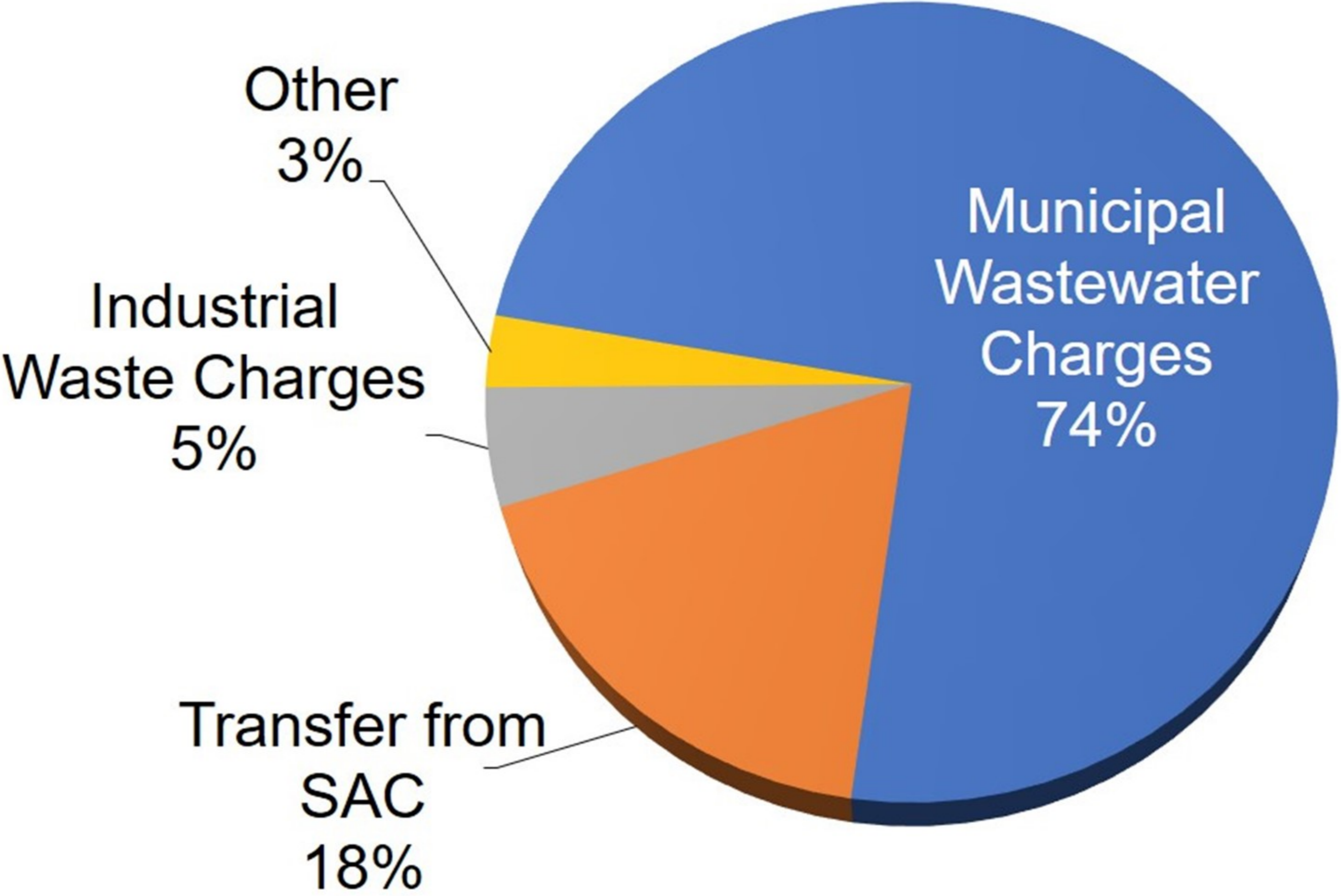
- Regional wastewater charge: 2.0%
- Sewer Availability Charge: No Increase
 - \$2,485 per SAC Unit – same since 2014
- Industrial Strength Charge: 2.4%
- Industrial Permit Fee: 2.0%

- Proposed Uses (vs. non-amended 2020 budget)

- 3.9% increase over 2020

2021 Revenue Sources – \$323M

(No changes from May 12 Environment Committee)

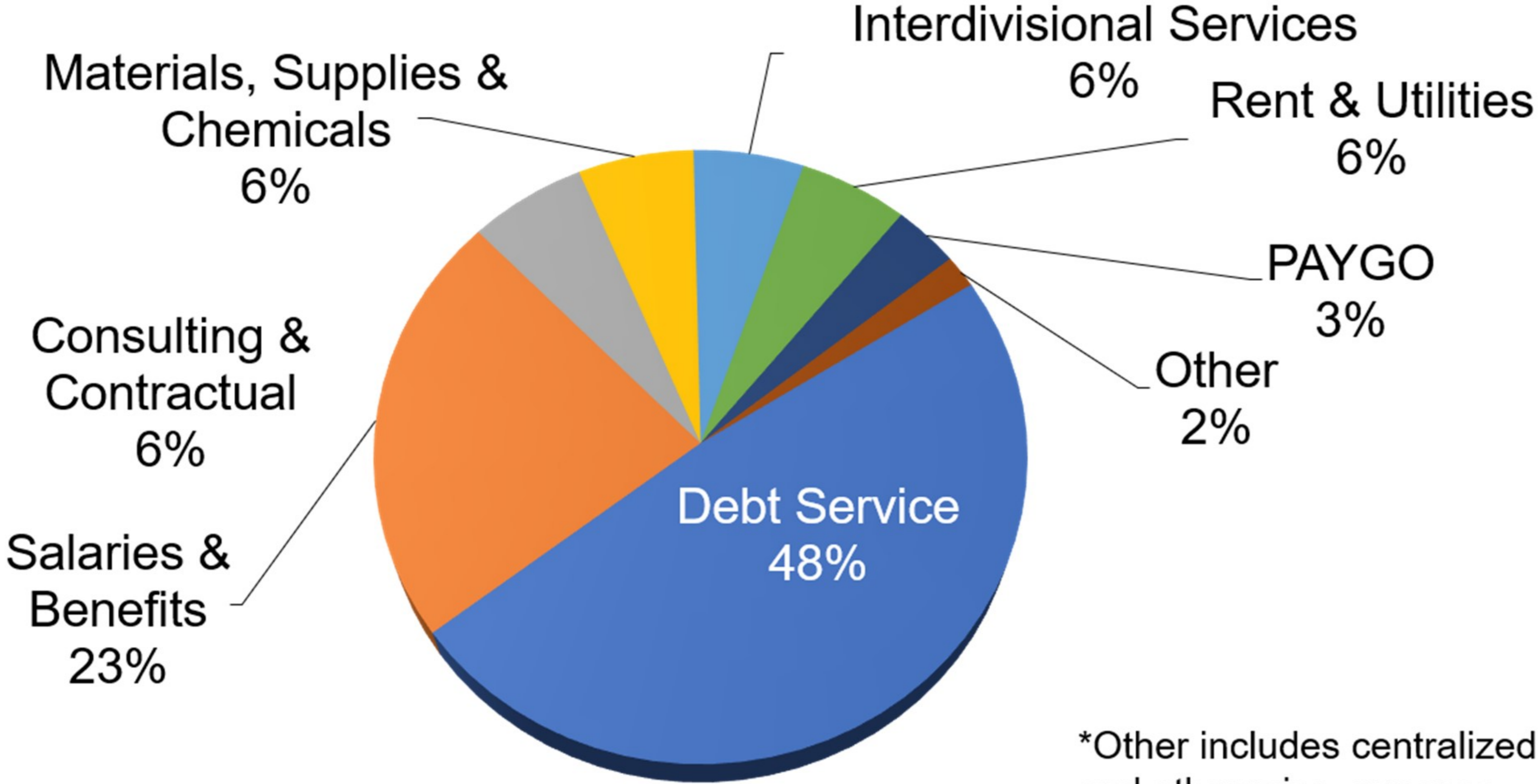


*Other includes OPEB adj., and \$2M use of Reserves



2021 Proposed Uses by Category – \$323M

(No changes from May 12 Environment Committee)

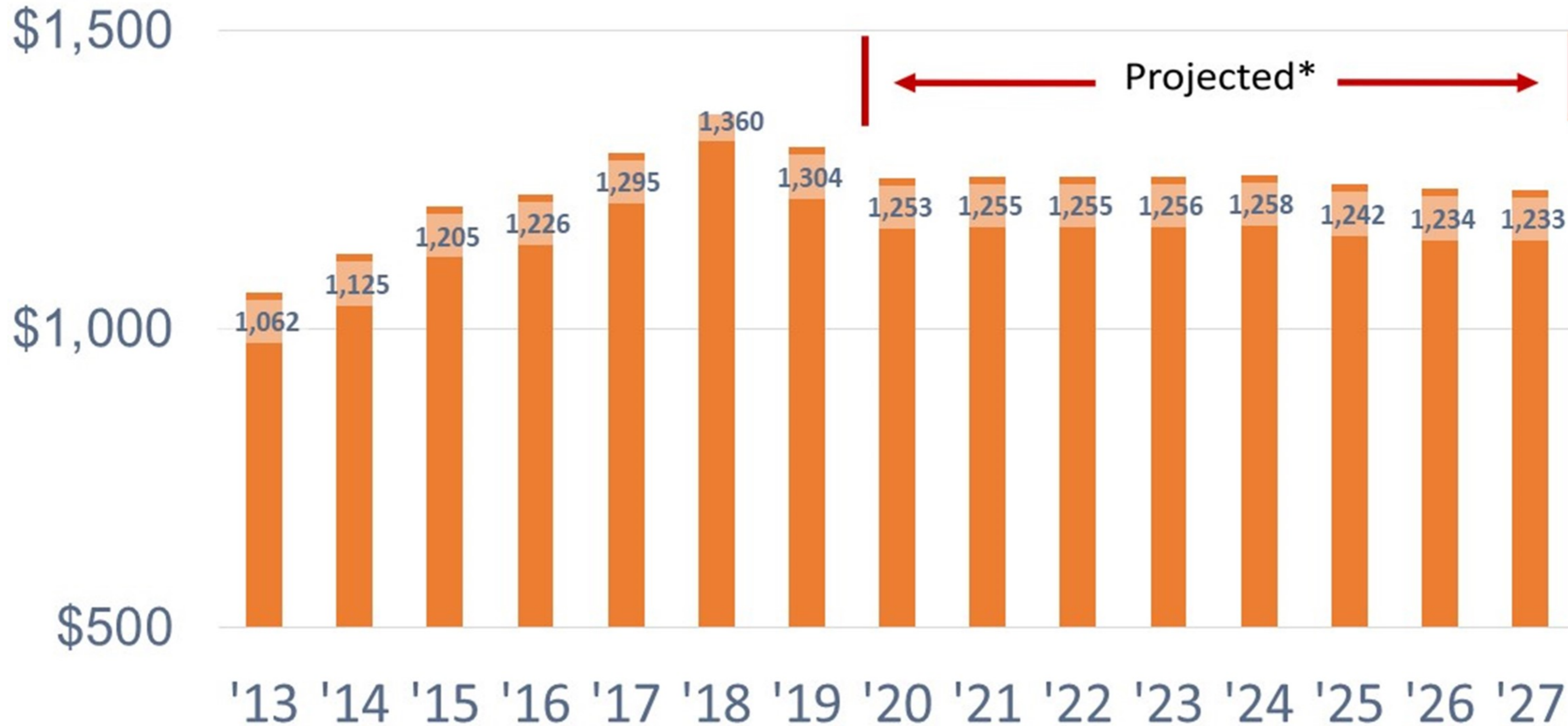


*Other includes centralized projects, and other misc. expense



Wastewater Outstanding Debt

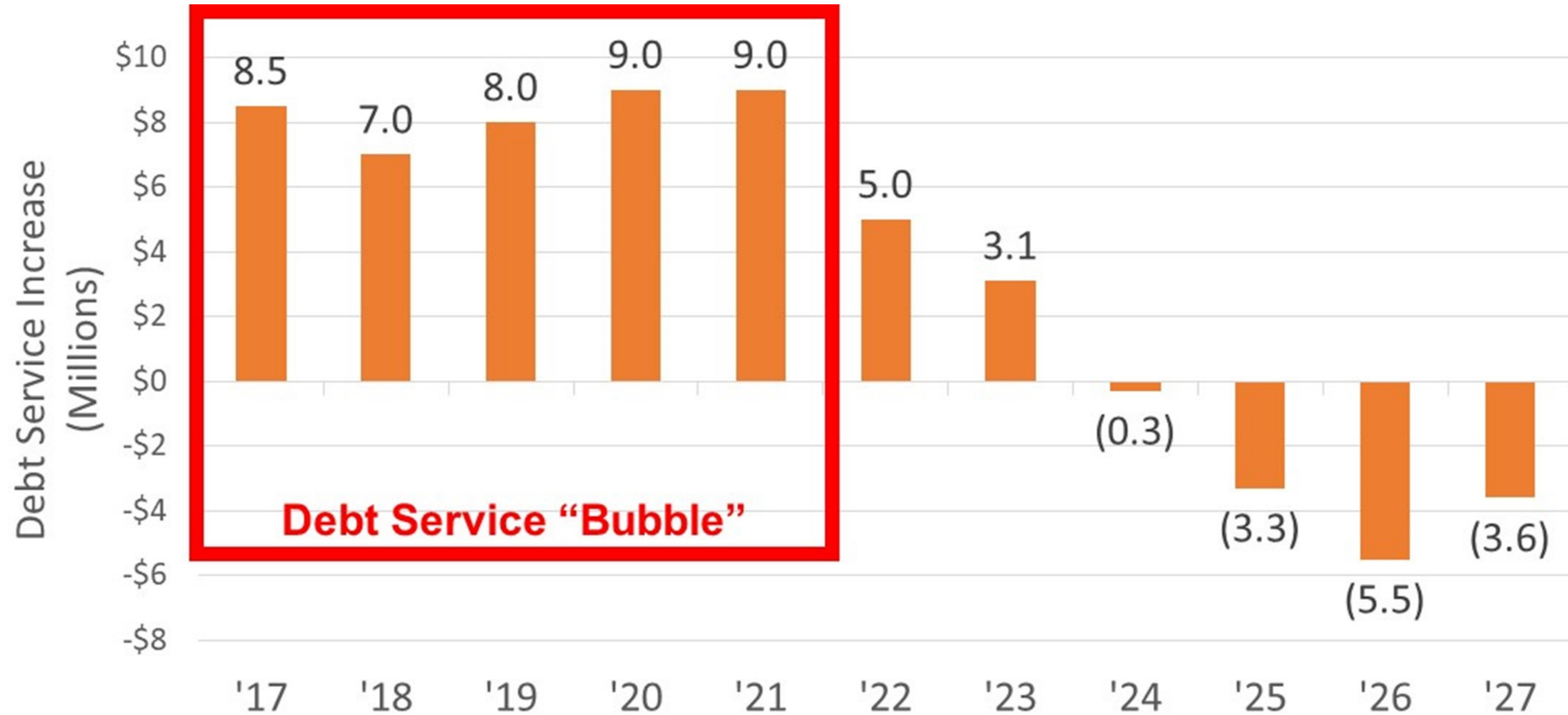
(\$ in millions)



* Assumes 85% of ACP is spent.

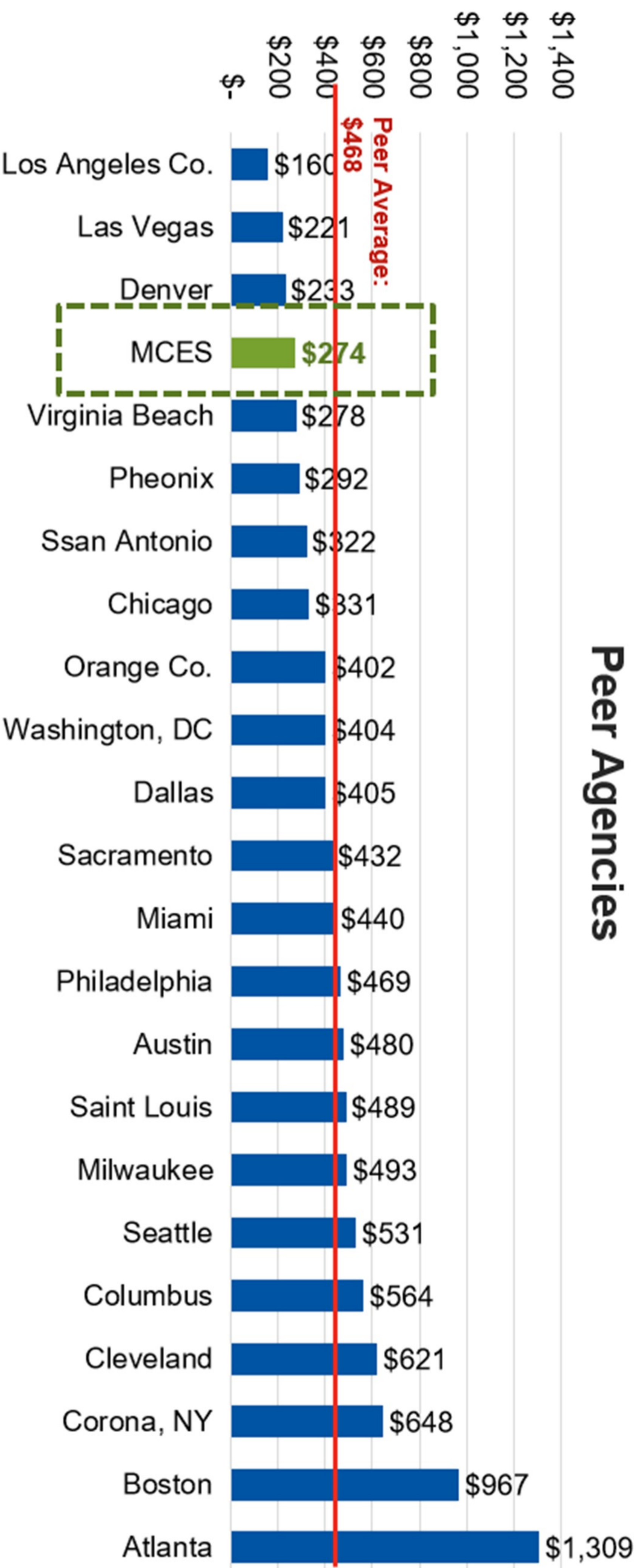
Projected Debt Service Change

Annual Debt Service Increase / (Decrease)



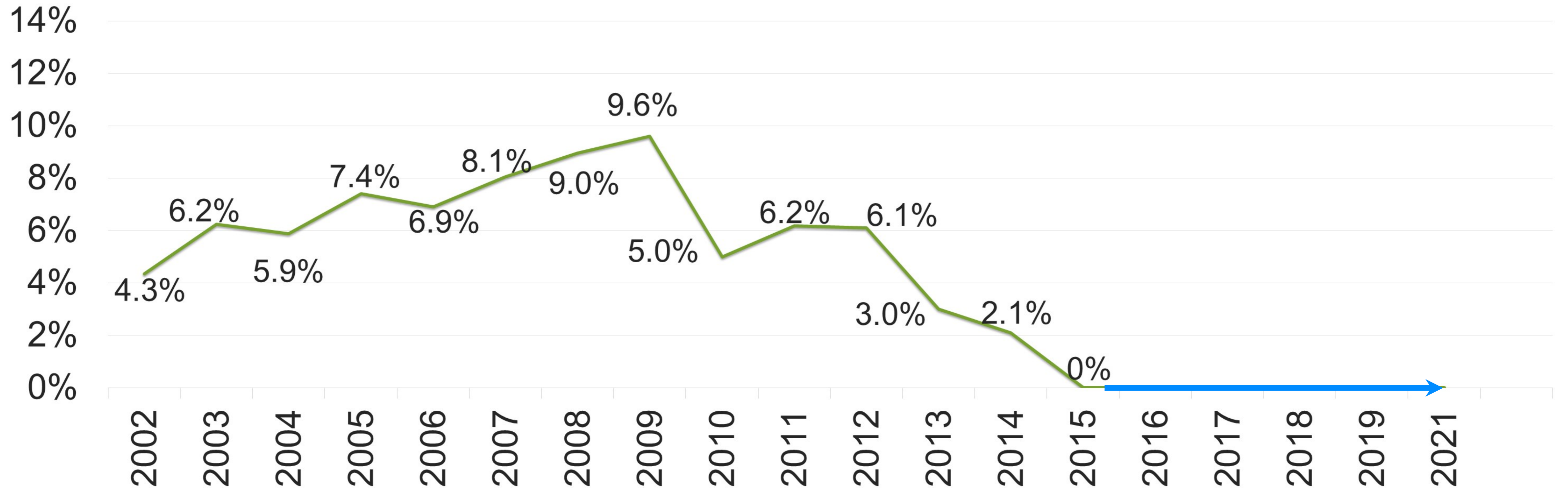
Comparative Information

2016 Retail Sewer Charges per Household

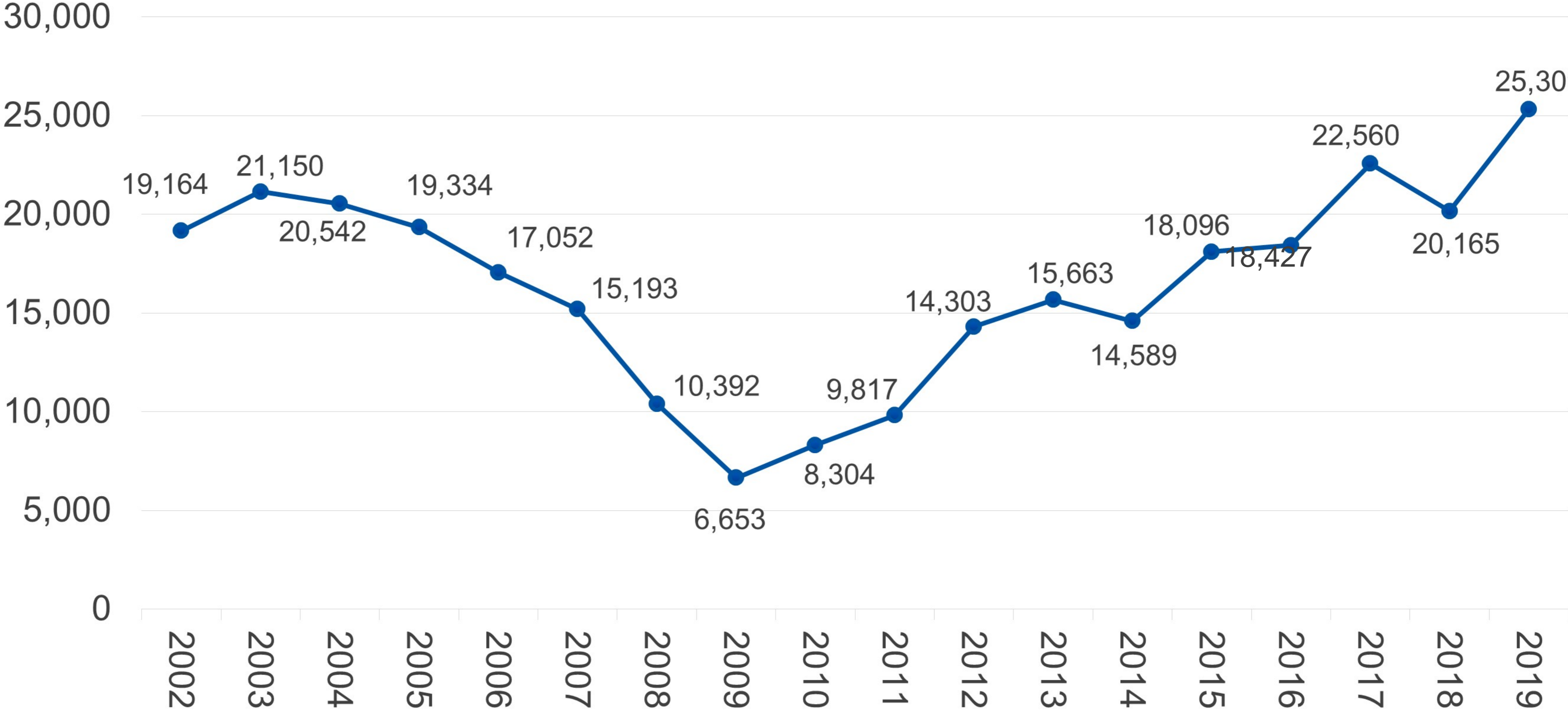


* 2017 NACWA survey (2016 rates)

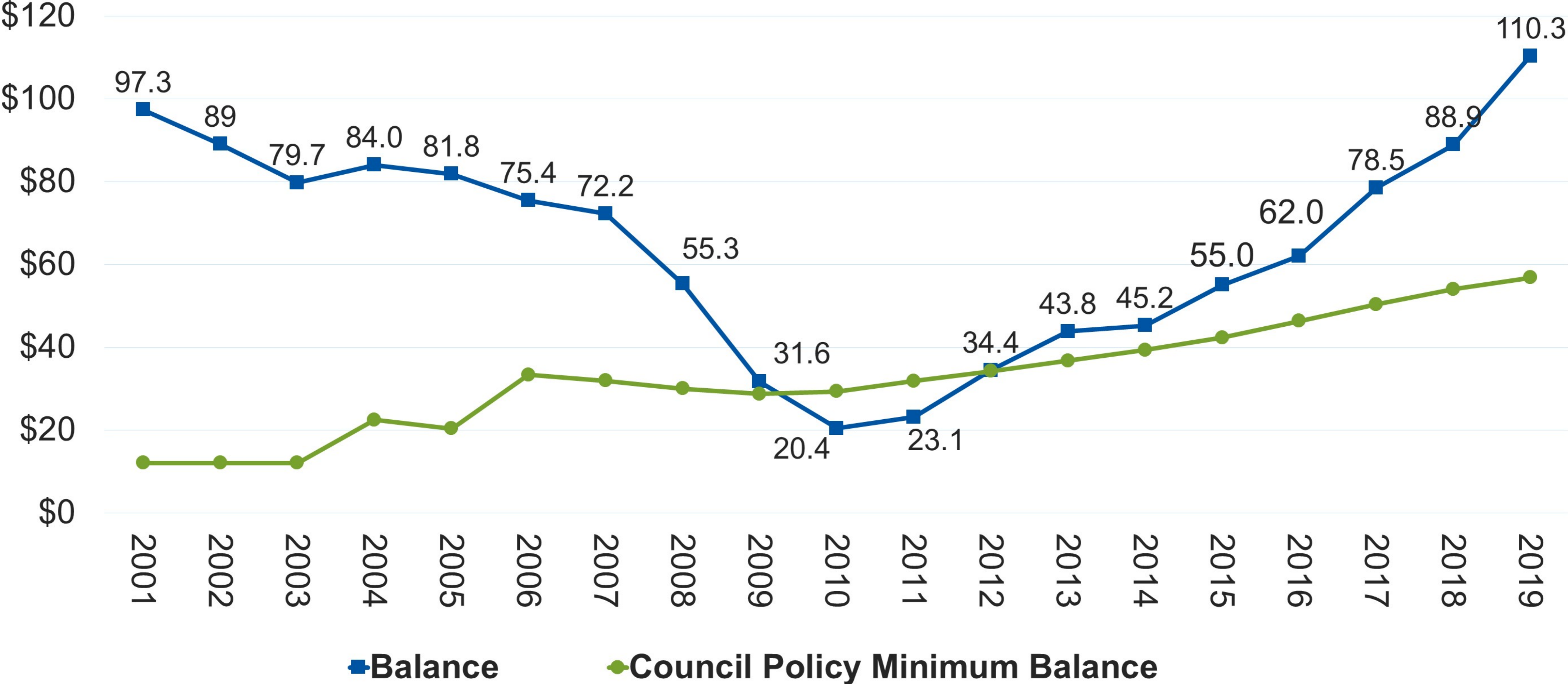
Historical SAC Rate Increases (%)



SAC Units: Recovering



SAC Reserve Fund



Webinar Feedback

- Record attendance! 86 non-council attendees from 40+ communities
- Engaged audience with helpful questions about:
 - Impact on capital programs, flows, and rates due to COVID19 and heavy rain in 2019
 - Customer Portal details (and 2 new account registrations!)
 - Presentation availability to share with elected officials
 - Regional billing methodology
 - 5-year MWC rate projection after debt service bubble
 - Hastings plant update
 - SAC Trends
- Survey responses were ~90% Very Good or Excellent regarding timing of presentation, WebEx platform and performance, materials, and overall satisfaction

Webinar Materials & video:

<https://metro council.org/Wastewater-Water/Funding-Finance/Budget-Workshops.aspx>

Proposed Action

That the Metropolitan Council adopt the wastewater rates and charges outlined on page one of the business item to be effective January 1, 2021.

Questions

Ned Smith
Director, ES Finance & Revenue
651-602-1162

ned.smith@metc.state.mn.us

