

Business Item: 2021-176

Adoption of MCES Wastewater Rates and Charges

Ned Smith, Director of Finance

Environment Committee: July 13, 2021



Proposed Action

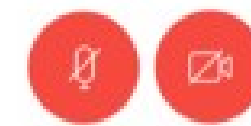
That the Metropolitan Council adopt the wastewater rates and charges outlined on page one of the business item, to be effective January 1, 2022.

Overview

- 2022 Rate Setting Schedule
- Customer Webinars
- 2022 Executive Summary
- Proposed 2022 Sources & Uses
- Debt Service
- Sewer Availability Charge (SAC)
- Industrial Rates
- Questions

Welcome to the

2021 MCES Customer Budget & Annual Update



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 or text 651.775.4348 or email Jason.Tintes@metc.state.mn.us.

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

2022 Rate Setting Schedule

- Industrial Workshops – May 6, 20 and 22 (virtual meetings)
- May 11: Environment Committee Direction for Public Meetings
- Municipal Customer Forums*
 - May 25: WebEx / Virtual Meeting
 - June 10: WebEx / Virtual Meeting
- **July 13: Environment Committee Review of Customer Input and 2022 Rate Adoption Recommendation**
- July 28: Council Rate Adoption
- Aug 11: Council – Division Level Budget Presentation
- Aug. 25: Council Preliminary Operating Budget Adoption
- October 13: Final Council Budget (including MCES) Released for Public Comment
- October – December: Public Comment Period
- Dec 8: Council Final Operating Budget Adoption

Customer Webinars

- Two Customer Budget Webinars were held (May 25 and June 10)
- Preliminary Municipal Wastewater Charges (MWCs) sent mid-May to each of our 110 communities

Meet the presenters of the
**2021 MCES Customer Budget
& Annual Update**



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**2021 MCES Customer Budget
& Annual Update**

May 25, 2021



Record attendance!
105 attendees from ~50 communities



2022 Executive Summary

(Changes from May 11 Environment Committee in red)

Proposed Sources vs. 2021

- Wastewater charge:4.0%
- Total Sources.....3.2%

Proposed Uses vs. 2021

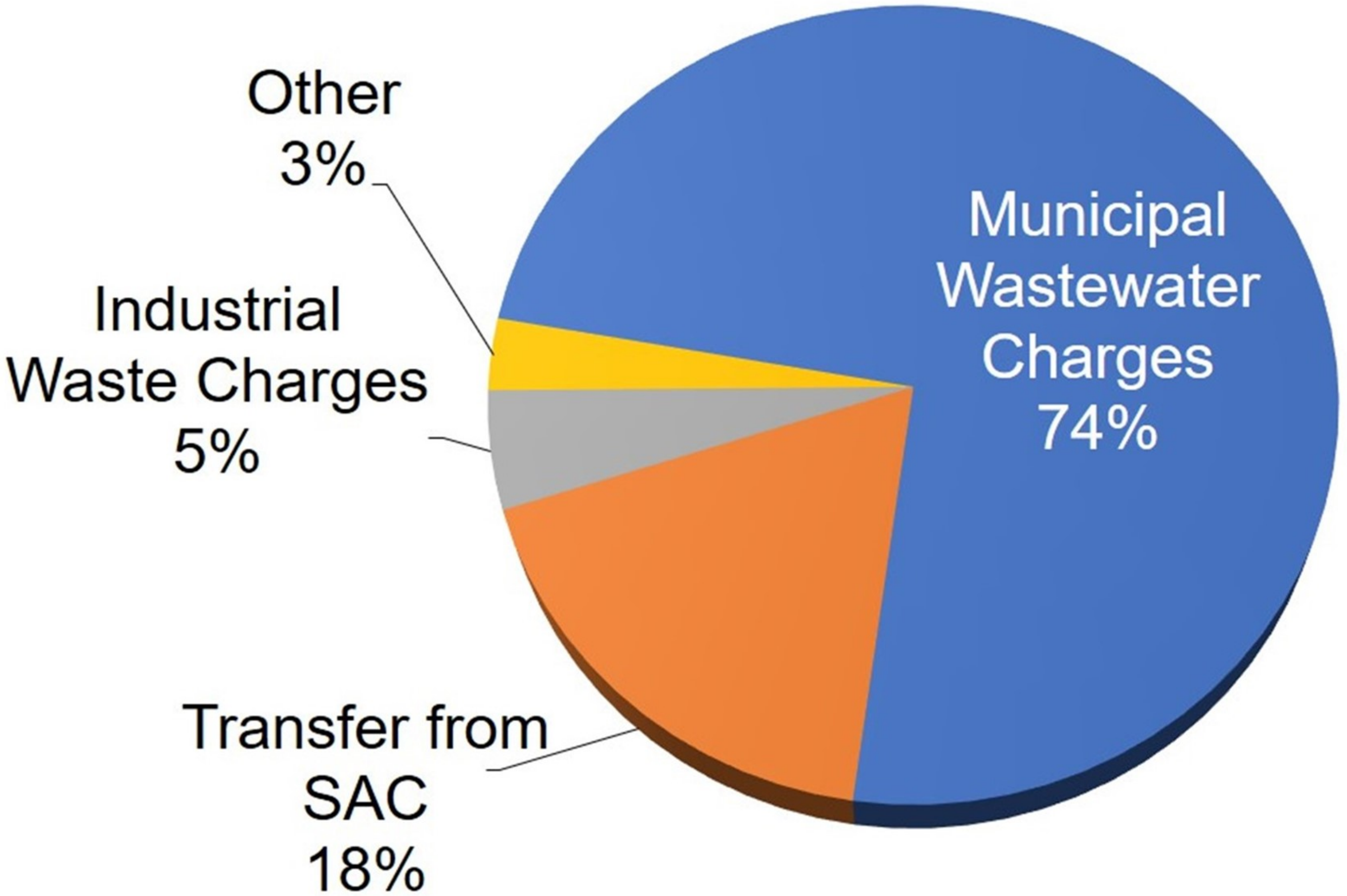
- Total Uses.....3.2%

Proposed Rates

- Sewer Availability Charge:No Increase
- **Industrial Strength Charge:5.4%**
- Industrial Permit Fees:~4.0% on average

2022 Revenue Sources – \$323M

(No changes from May 11 Environment Committee)

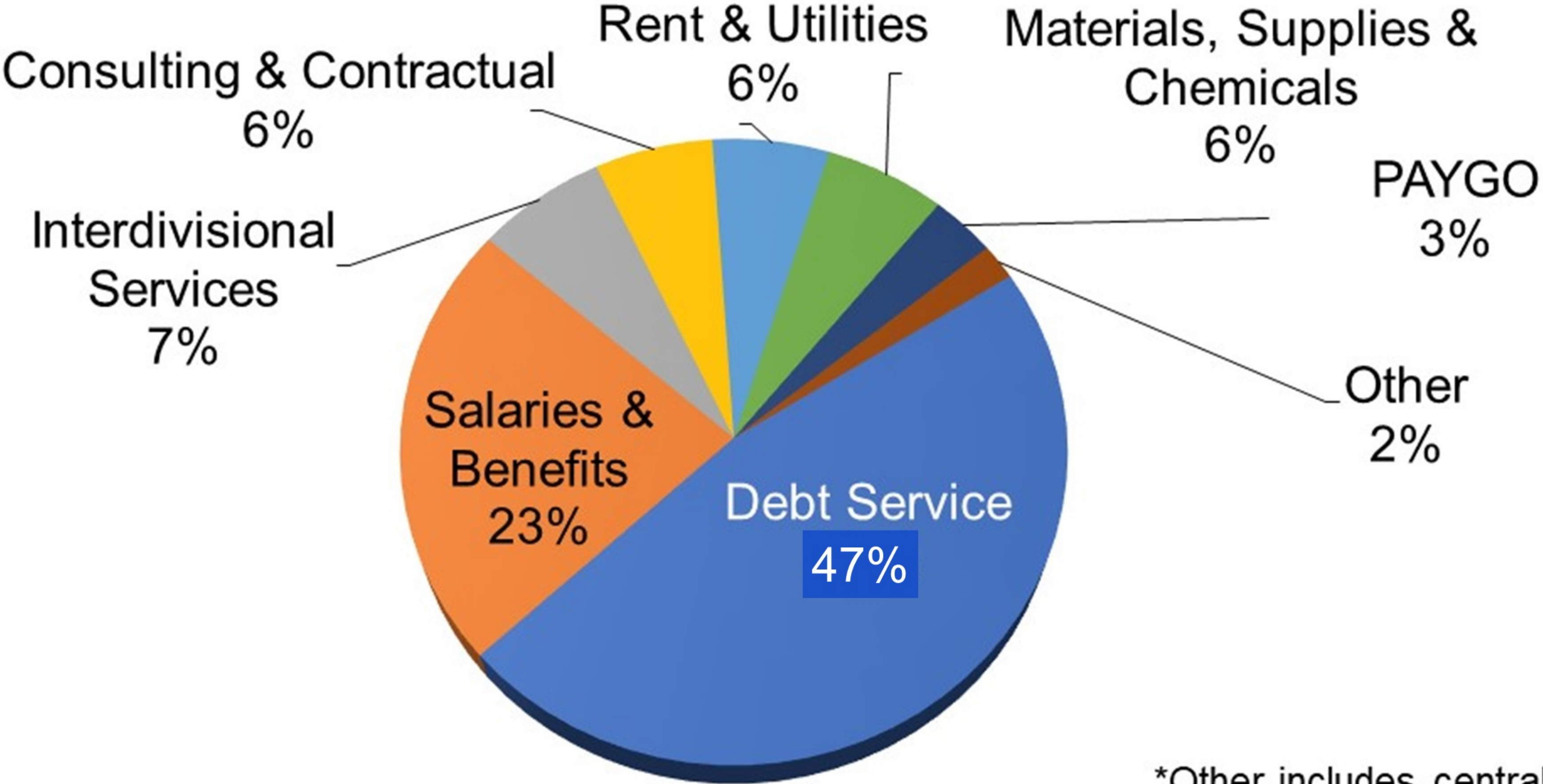


*Other includes OPEB adj., and \$2M use of Reserves



2022 Proposed Uses by Category – \$333M

(No changes from May 11 Environment Committee)

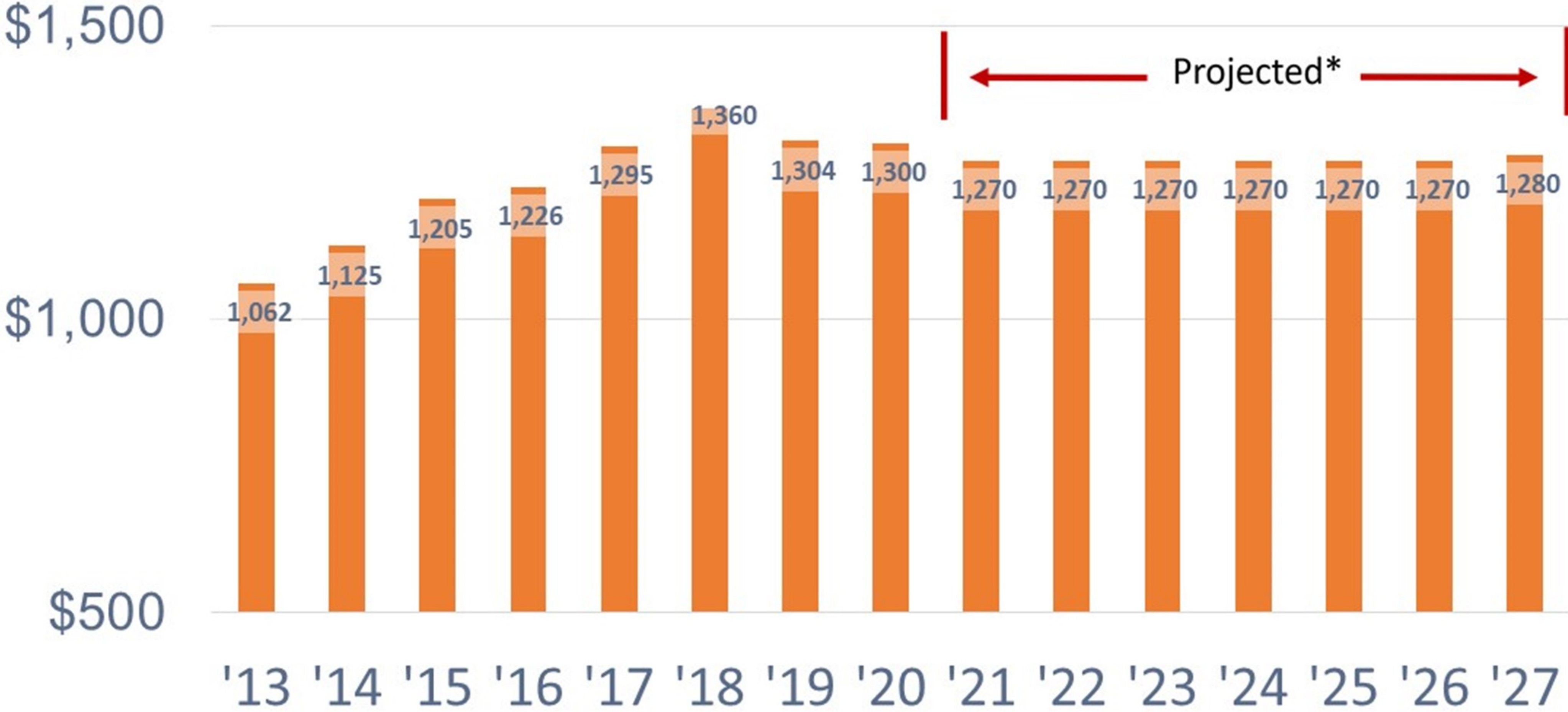


*Other includes centralized projects, and other misc. expense



Wastewater Outstanding Debt

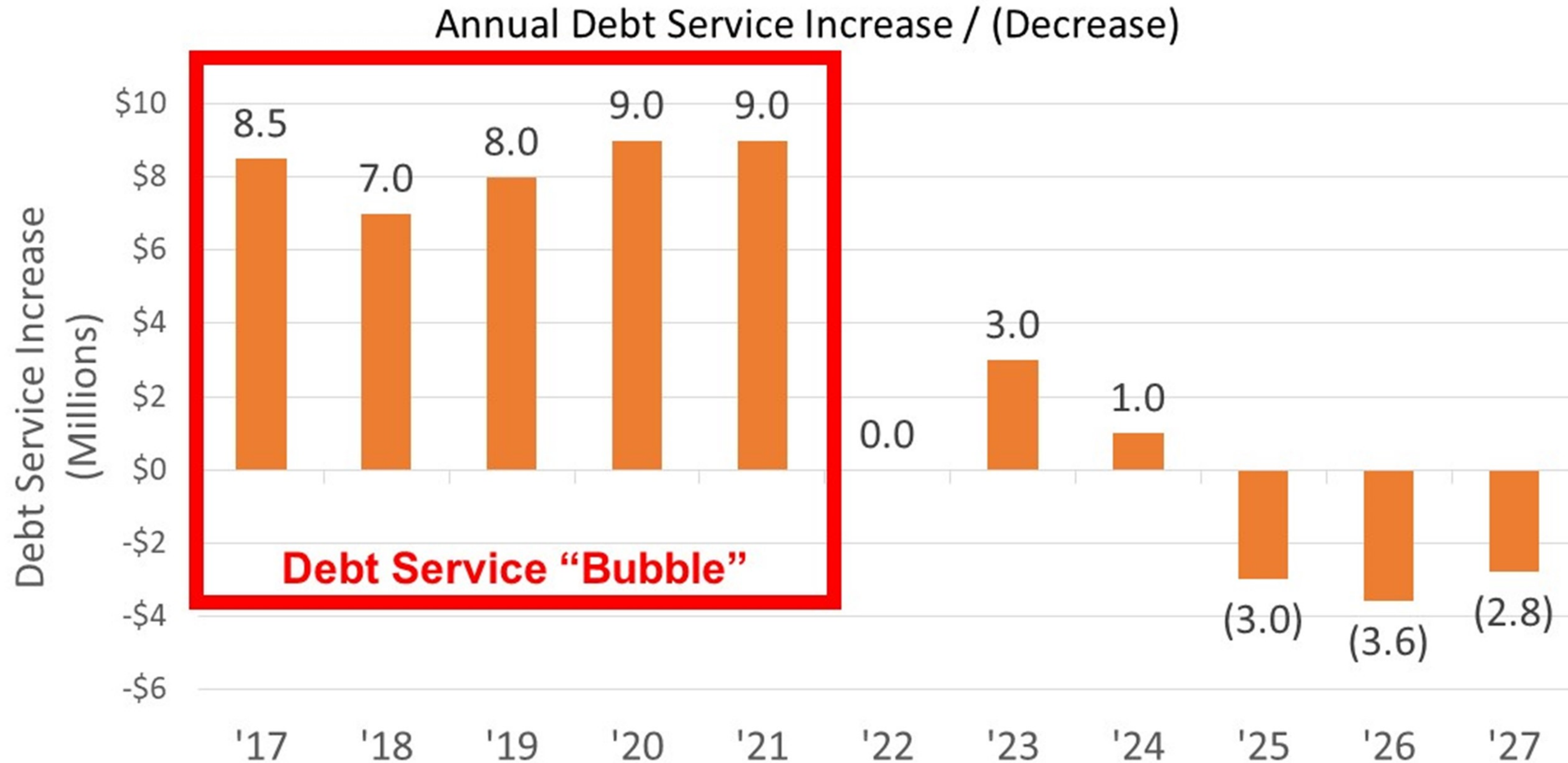
(\$ in millions)



* Assumes 80% of ACP is spent.

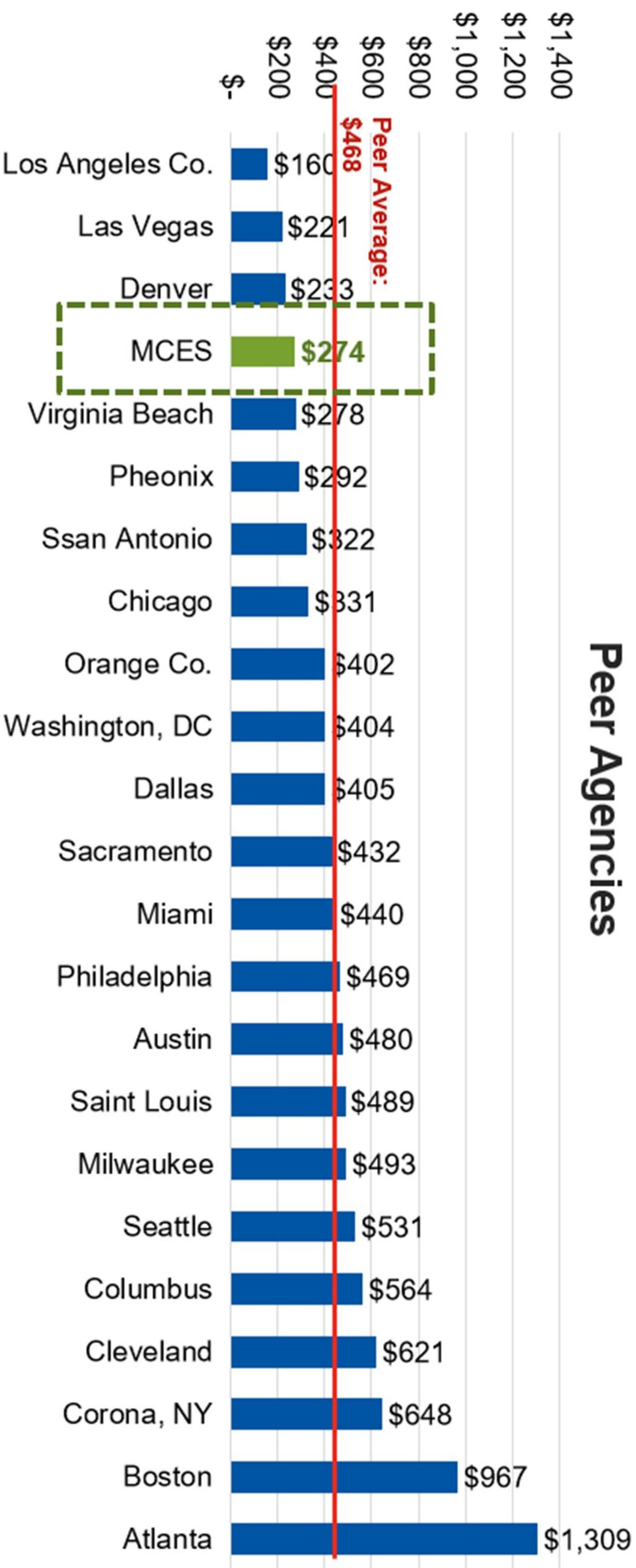
Projected Debt Service Change

Annual Debt Service Increase / (Decrease)



Comparative Information

2016 Retail Sewer Charges per Household



*2017 NACWA survey (2016 rates)

(2020 survey available this summer)

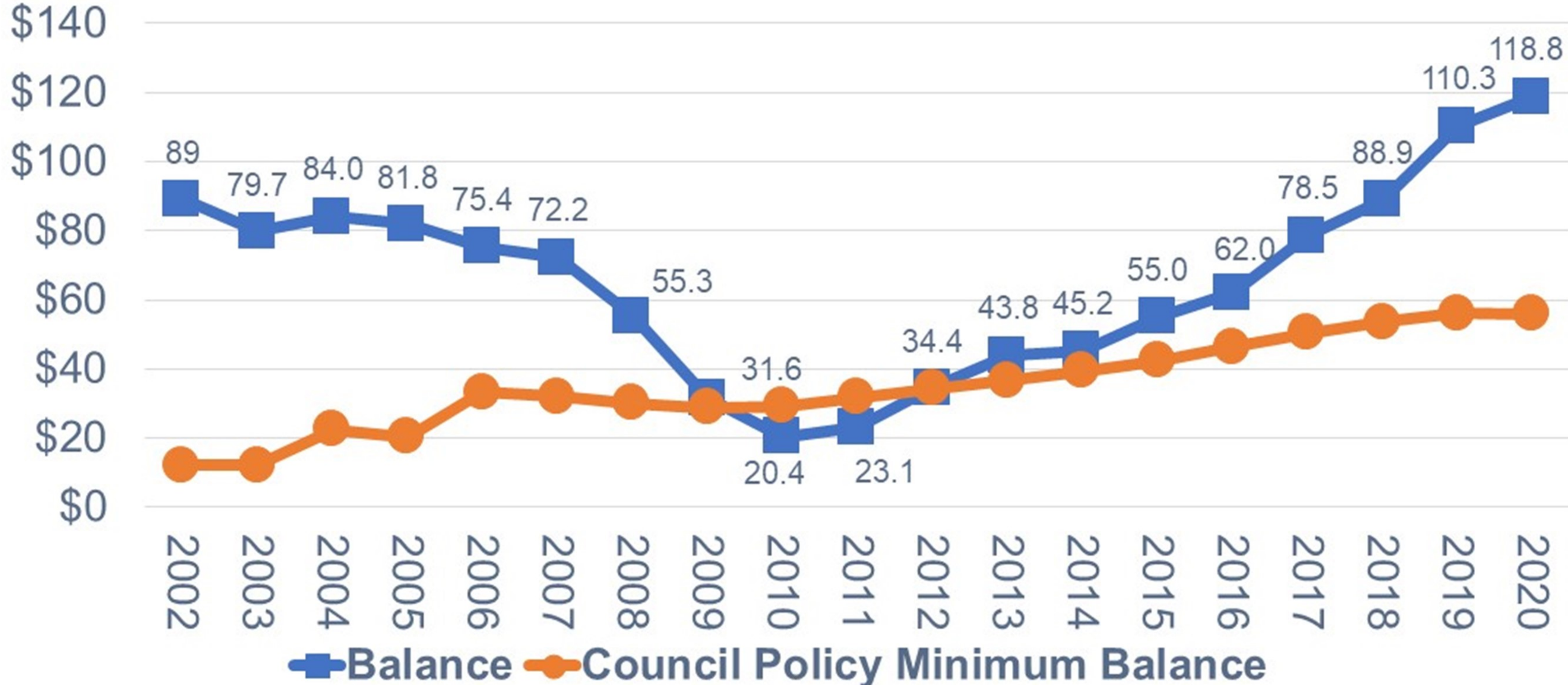
Historical SAC Rate Increases (%)



SAC Units: Development Continues



SAC Reserve Fund



Strong reserve will help MCES manage future SAC rates

Webinar Feedback

- Record attendance! 105 non-council attendees from ~50 communities
- Topics:
 - Proposed 2022 budget
 - Municipal wastewater charge
 - MCES Capital Improvement Program
 - Updates on:
 - MCES Customer Portal
 - COVID-19 Research
 - 2050 Water Resources Policy Plan Update
- Engaged audience with helpful questions about:
 - Impact on capital programs, flows, and rates due to COVID19 in 2020
 - Private I/I initiatives
 - Chlorides treatment and reuse
 - Regional billing methodology and cost saving efforts
 - MPCA coordination on PFAS
 - Hastings plant update
 - SAC Trends

Webinar Materials & video:

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

Proposed Action

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Questions

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