



# **Business Item 2022-201: Adoption of MCES Wastewater Rates and Charges**

Ned Smith, Director of Pretreatment and Finance

Environment Committee: July 12, 2022



# 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, 2023.

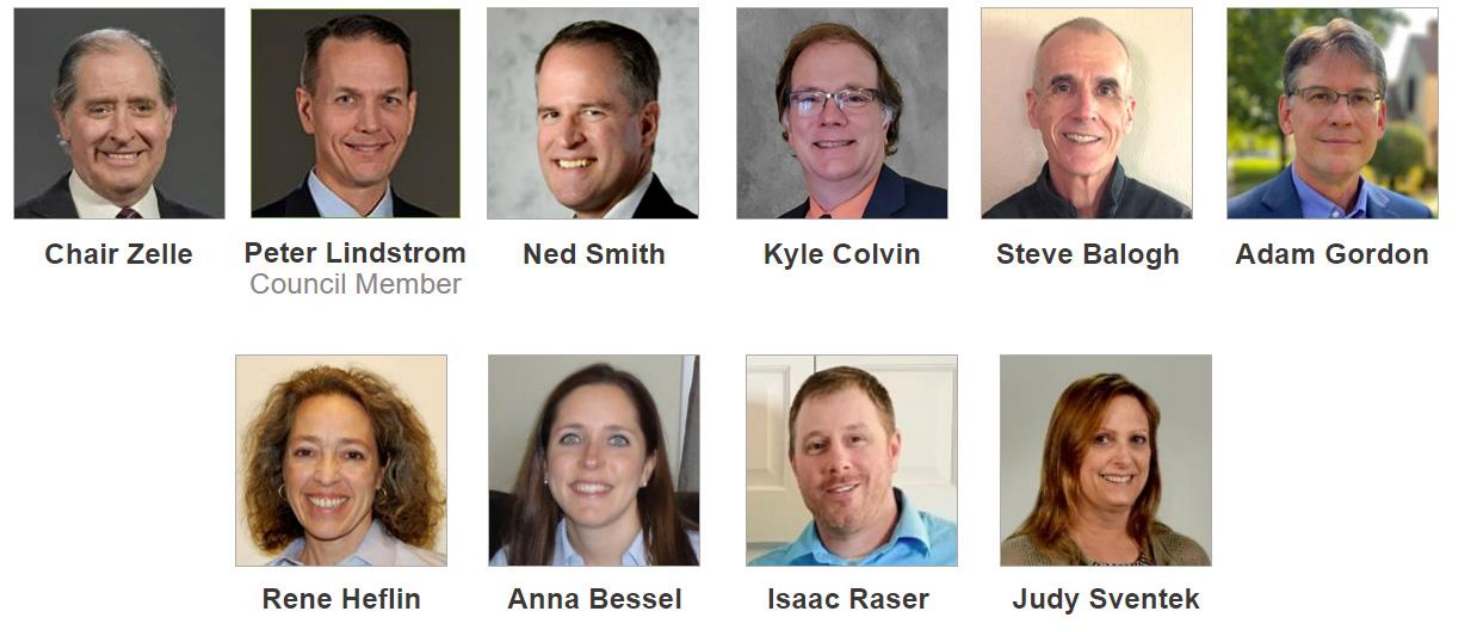
# 2023 Rate Setting Schedule

April 6 and April 27	Industrial Workshops (virtual meetings)
May 10	Environment Committee Direction for Public Meetings
May 26 and June 7	Municipal Customer Forums (Virtual)
July 12	Environment Committee Review of Customer Input and 2023 Rate Adoption Recommendation
July 27	Council Rate Adoption
August 24	Council Preliminary Operating Budget Adoption



# Customer Webinars

- **Two Customer Budget Webinars** were held (May 26 and June 7)
- Preliminary Municipal Wastewater Charges (**MWCs**) sent mid-May to each of our 111 communities



Strong attendance!  
74 attendees from 50 communities

# Executive Summary

## Proposed Sources vs. 2022

Wastewater charge: .....	5.5%
Total Sources.....	5.0%

## Proposed Uses vs. 2022

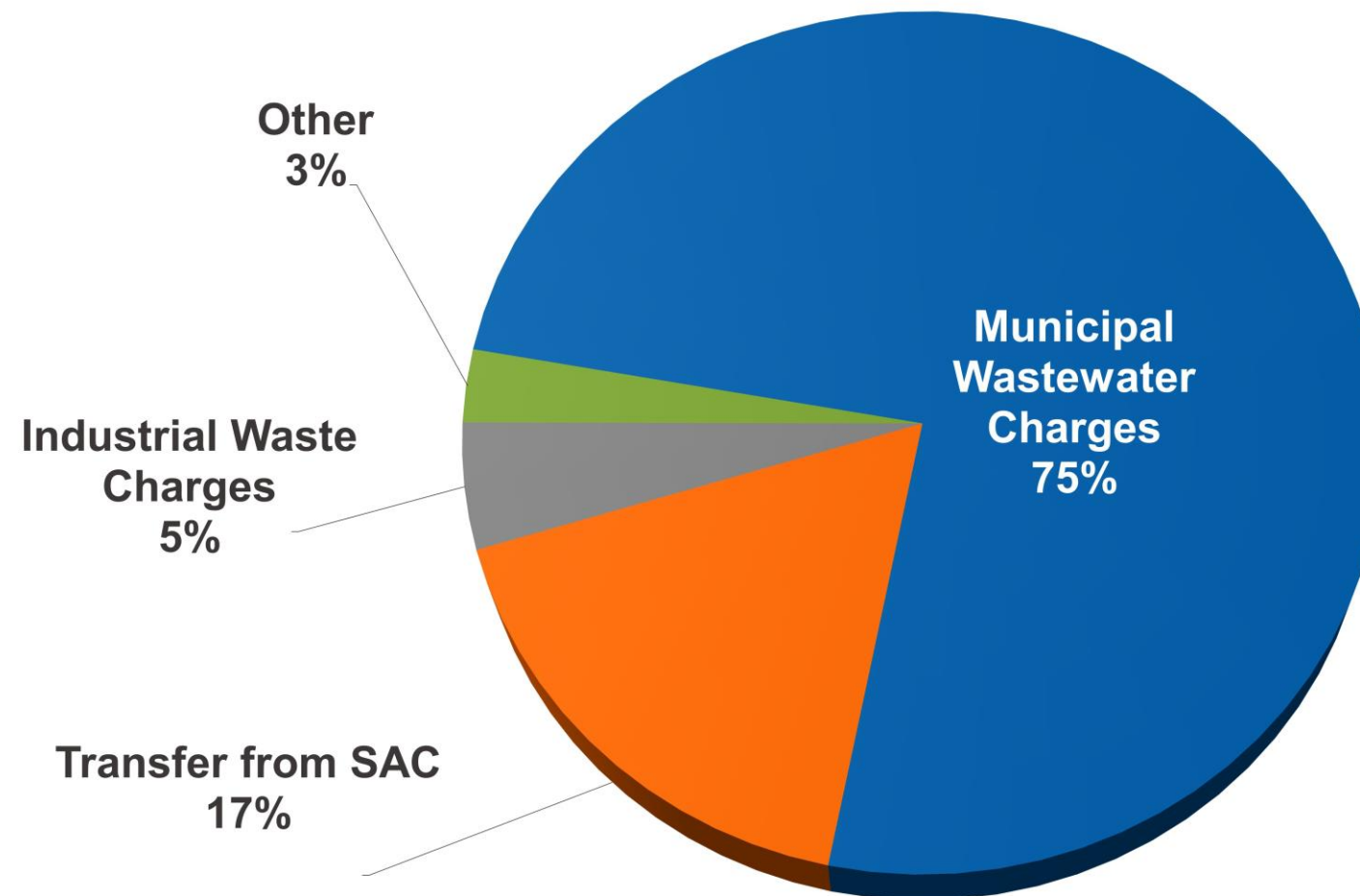
Total Uses.....	5.0%
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## Proposed Rates

Sewer Availability Charge: .....	No Increase
Industrial Strength Charge: .....	6.6%
Industrial Permit Fees: .....	~5.5% on average

# 2023 Revenue Sources - \$349.9M

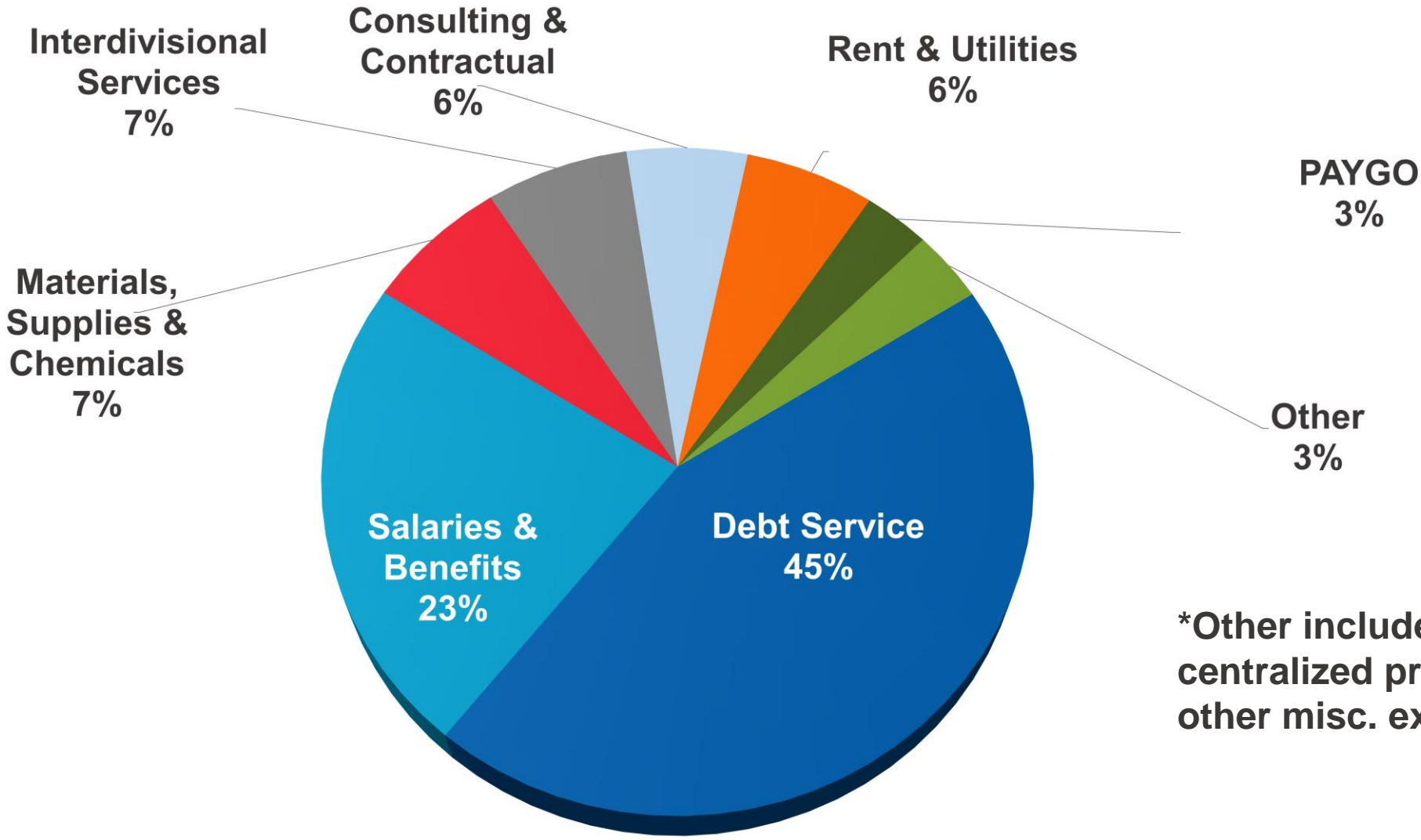
*No change from May 10<sup>th</sup> information item.*



**\*Other includes I/I Grant and \$2M use of Reserves**

# Proposed Uses by Category - \$349.9M

*No change from May 10<sup>th</sup> information item.*

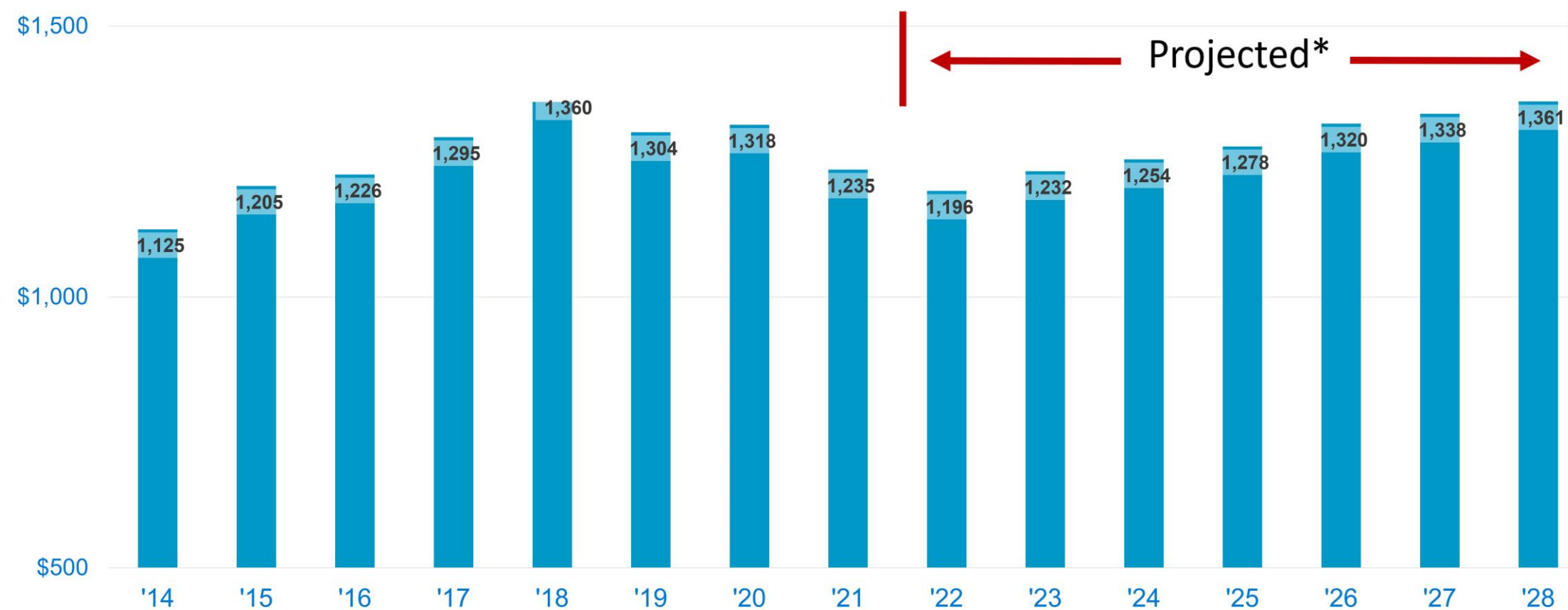


\*Other includes I/I Grant, centralized projects, and other misc. expense

# Wastewater Outstanding Debt

*No change from May 10<sup>th</sup> information item.*

(\$ in millions)

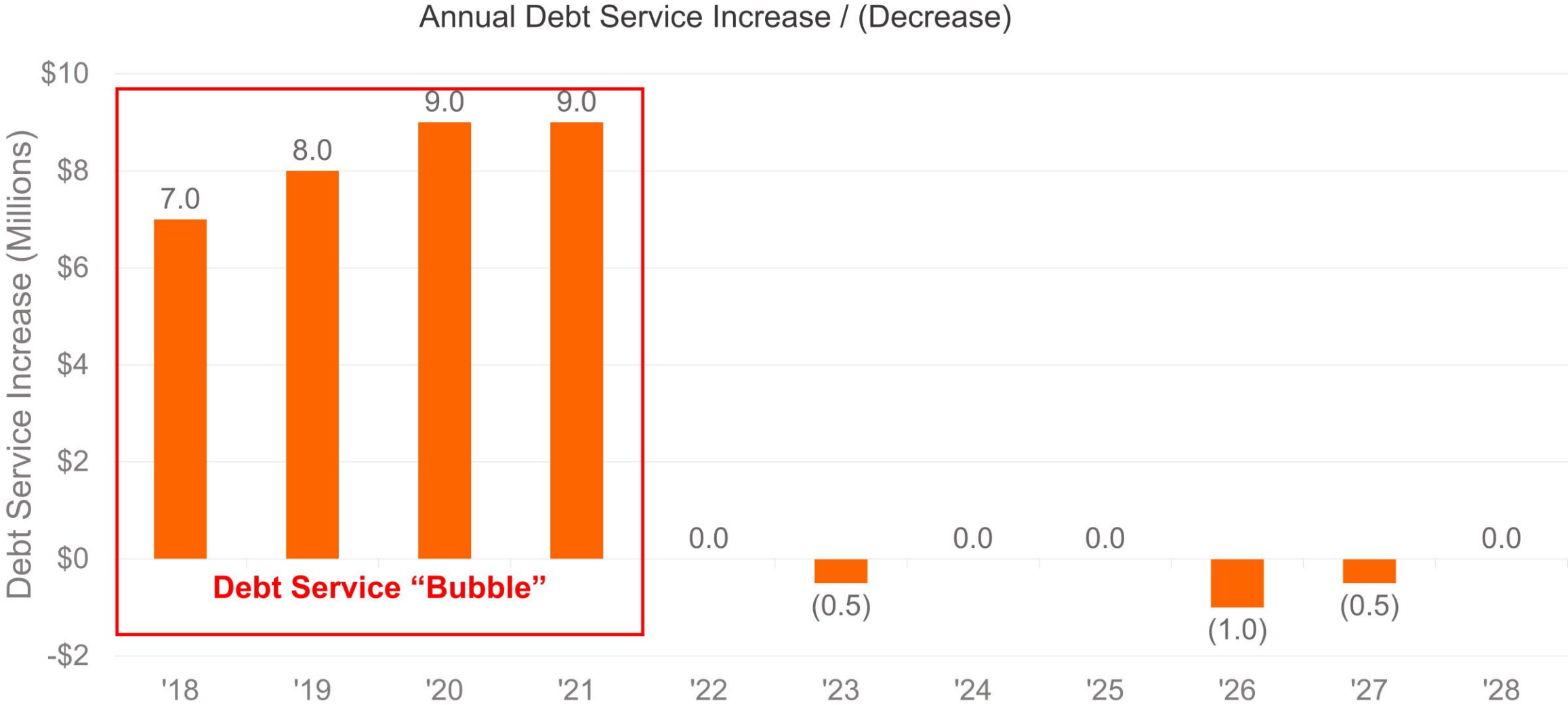


- Assumes 75% of ACP is spent.
- 3/20/22 Bond Sale – AAA, \$47.3M, 20 year fixed, 3.247%



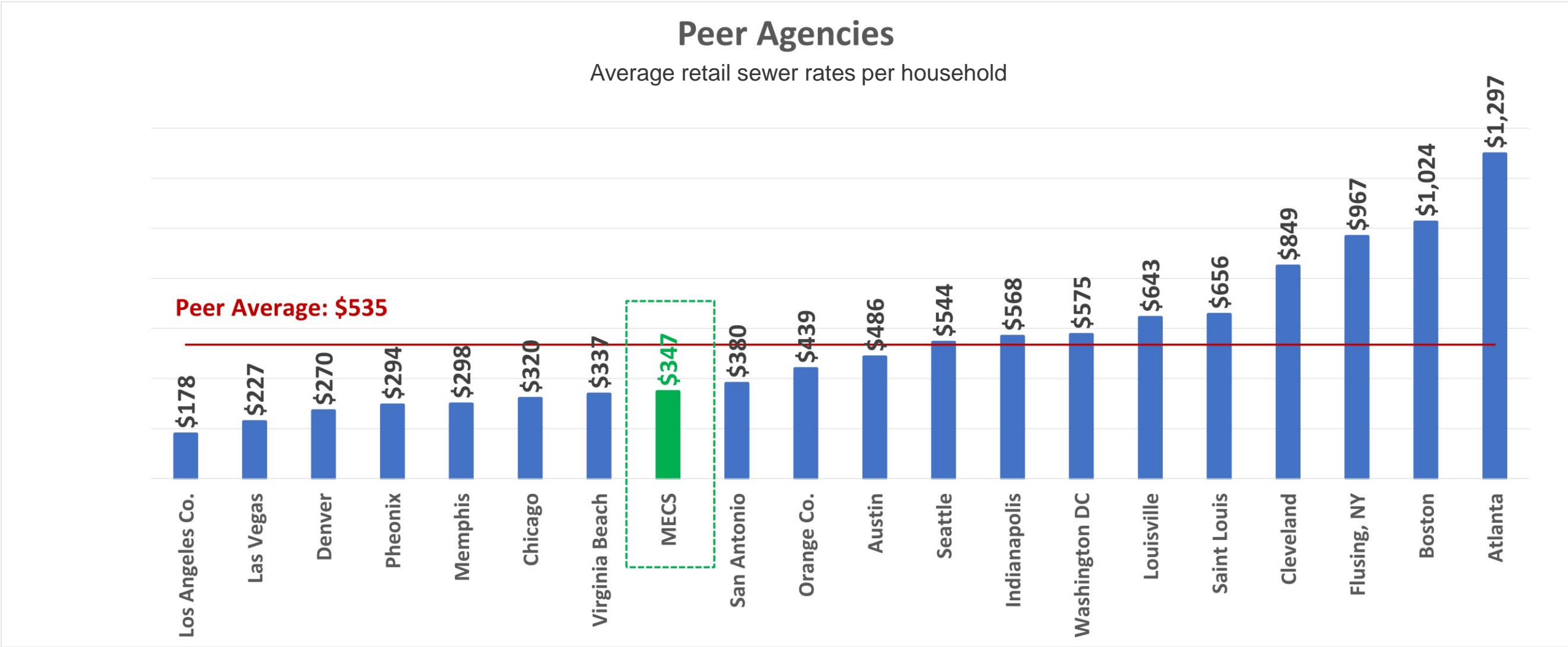
# Projected Debt Service Change

*No change from May 10<sup>th</sup> information item.*



# Comparative Information

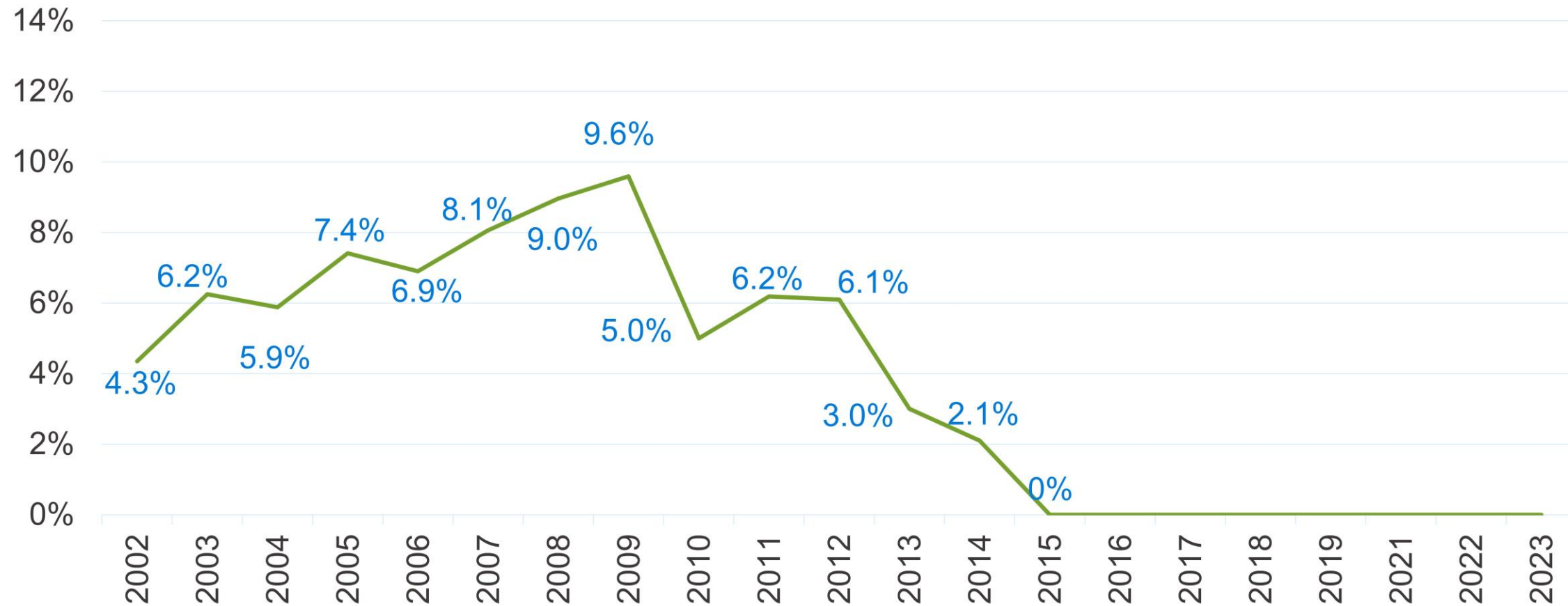
No change from May 10<sup>th</sup> information item.



\* 2020 NACWA survey of 2019 rates

# Historical Sewer Availability Charge (SAC) Rate Increases (%)

*No change from May 10<sup>th</sup> information item.*



# SAC Units: Development Continues

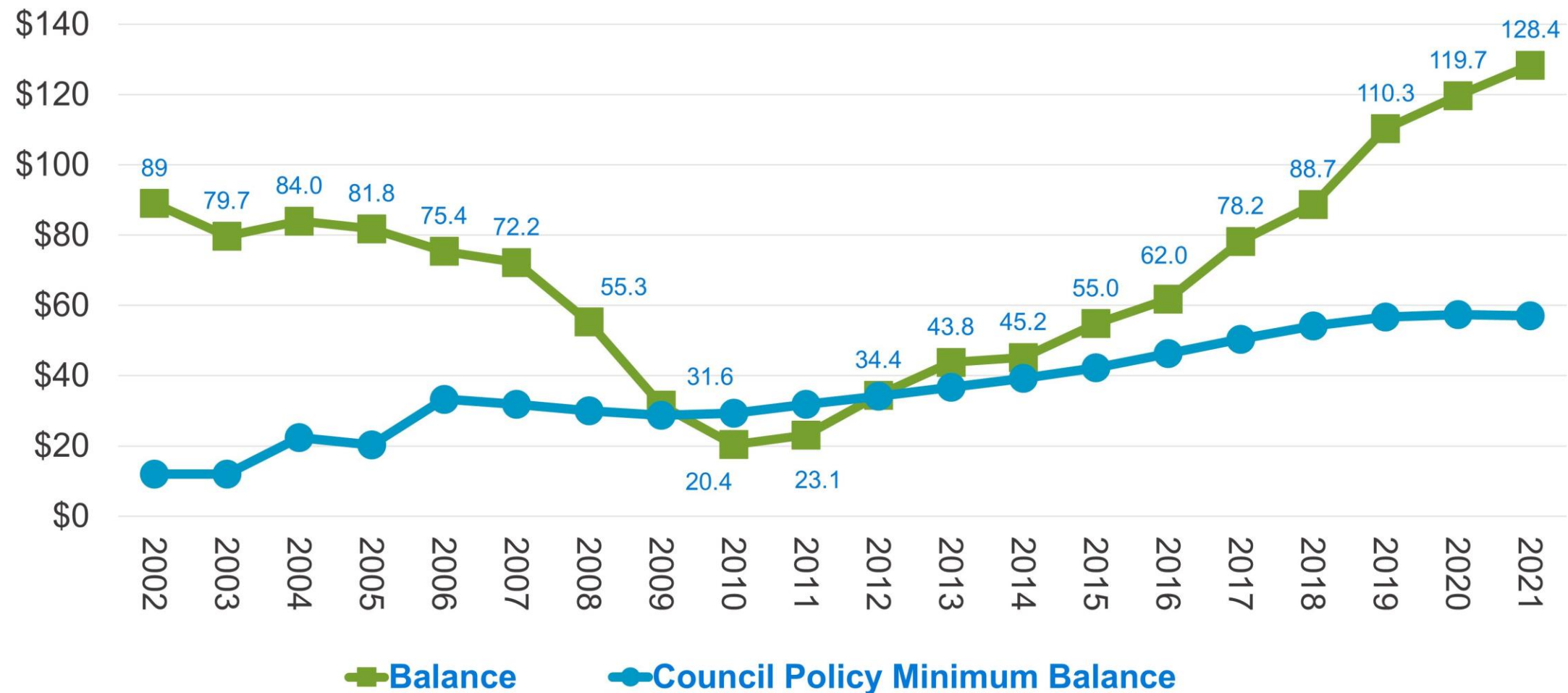
*No change from May 10<sup>th</sup> information item.*





# SAC Reserve Balance (\$M)

*No change from May 10<sup>th</sup> information item.*



Strong reserve balance will help MCES manage future SAC rates

# Webinar Overview

## **Strong attendance! 74 non-council attendees from 50 communities**

### Topics:

- Proposed 2023 budget/rates
- Municipal wastewater charge
- COVID-19 and wastewater
- MCES Capital improvement program
- Updates on:
  - MCES customer portal
  - Collection system issues: Fats, Oils and Grease (FOG) along with rags
  - Water resources policy planning

# Webinar Attendees Were Engaged

## Many great questions from the audience:

- Regional flow decreases - Is there an estimate of system wide reduction related to last years' drought?
- Financial impacts of COVID?
- What's been done to minimize cost increases placed on local agencies?
- When will each city's sewer charges be available?
- What is the reason MCES billing charges a month in advance to cities? Consider changing this?
- If city comprehensive plan models show capacity issues with MCES interceptor in community, who should be contact?
- Interested in information on COVID-19 testing and monitoring
- Is meeting recording available online?

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

# Proposed Action

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# Questions

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