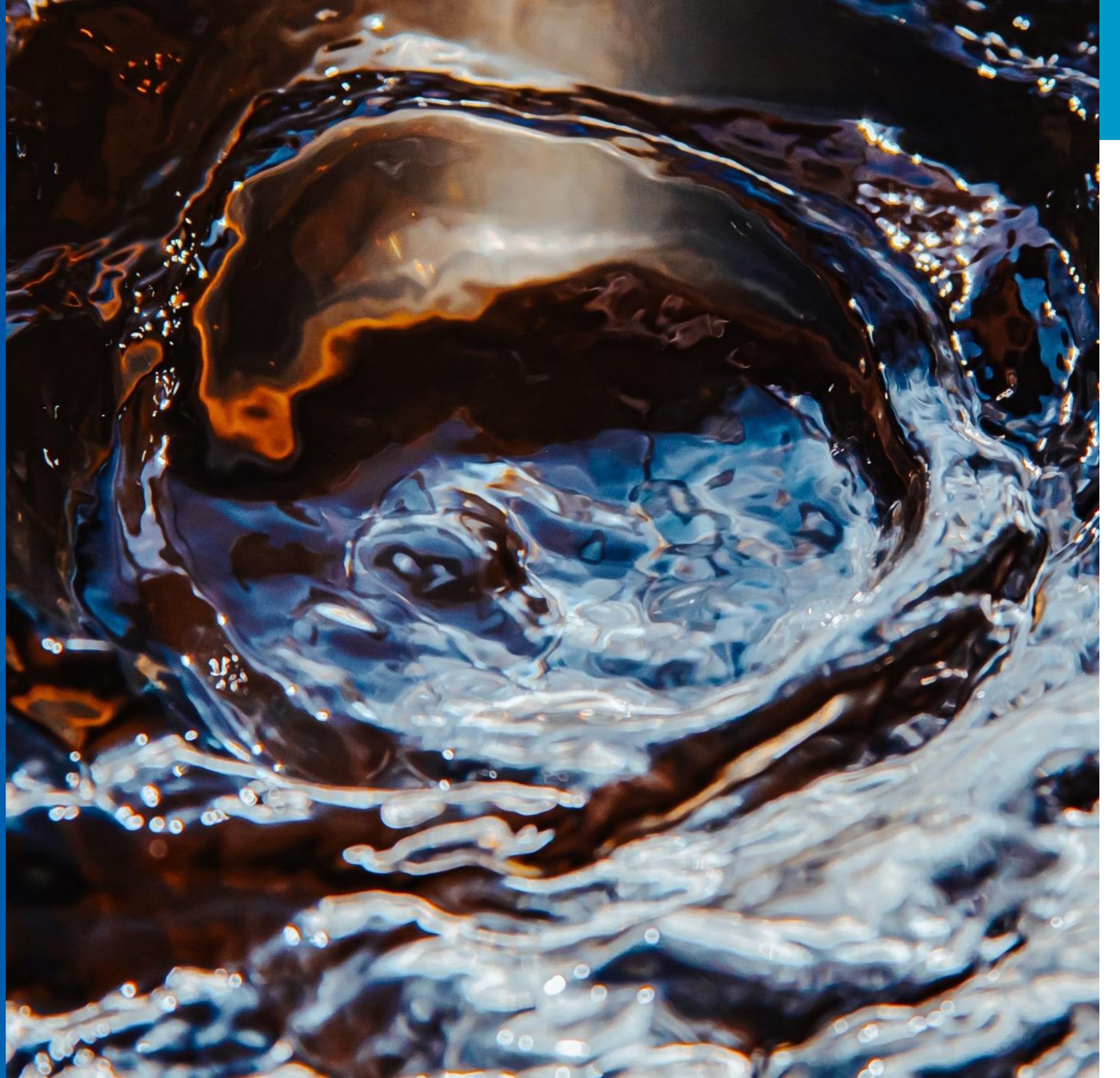


Business Item:
2024-170 SW:

**Adoption of the
Metropolitan Council
Environmental Services
Wastewater Rates and
Charges**

Matt Gsellmeier, Budget Manager

Environment Committee: July 23, 2024



Overview

- 2025 Rate Setting Schedule
- Customer Meetings (one webinar and one live)
- 2025 Executive Summary
- Proposed 2025 Sources & Uses
- Debt Service
- Nationwide Comparative Rate Information
- Sewer Availability Charge (SAC)
- Industrial Rates
- Questions

2025 Rate Setting Schedule



Customer Meetings

- Two Customer Budget Meetings were held
 - May 21 – Lexington Park in Roseville
 - June 6 – Virtual Webinar
- Preliminary Municipal Wastewater Charges (MWCs) sent mid-May to each of our 111 communities



2024 Customer Budget & Annual Update
May 21, 9:30 – 11:00 AM | In Person
June 6, 1:30 – 3:00 PM | Virtual



Strong attendance!
63 attendees from 41 communities



2025 Executive Summary

Proposed Sources vs. 2024

- Wastewater charge:5.6%
- Total Sources.....3.8%

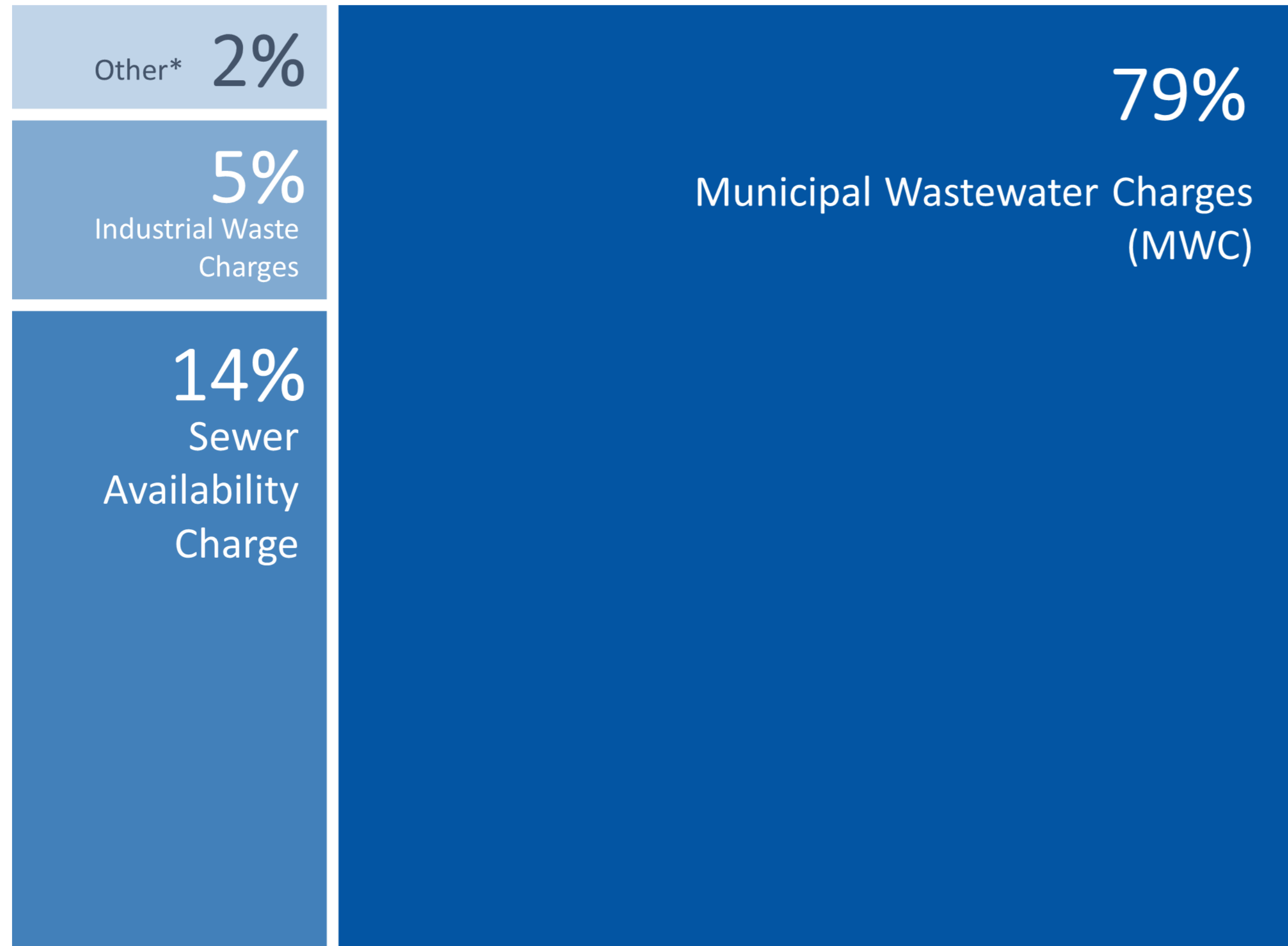
Proposed Uses vs. 2024

- Total Uses.....4.4%

Proposed Rates

- Sewer Availability Charge:No Increase
- Industrial Strength Charge:7.1%
- Industrial Permit Fees:~5.8% on average

2025 preliminary revenue sources - \$376.9M

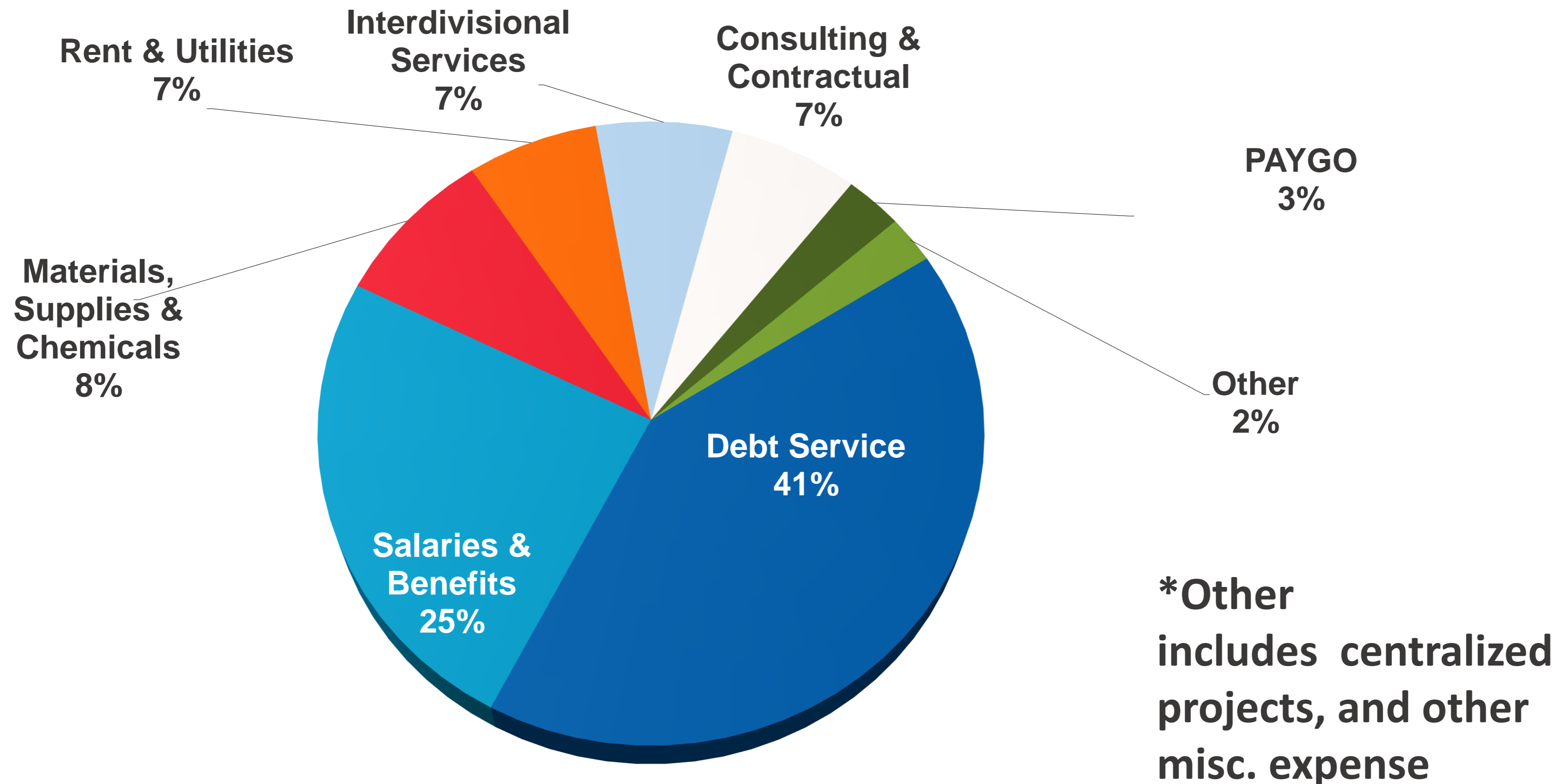


- Fee for service
- Not a tax
- No federal, state, or Council funds
- No Environmental Service funds used for other Council operations



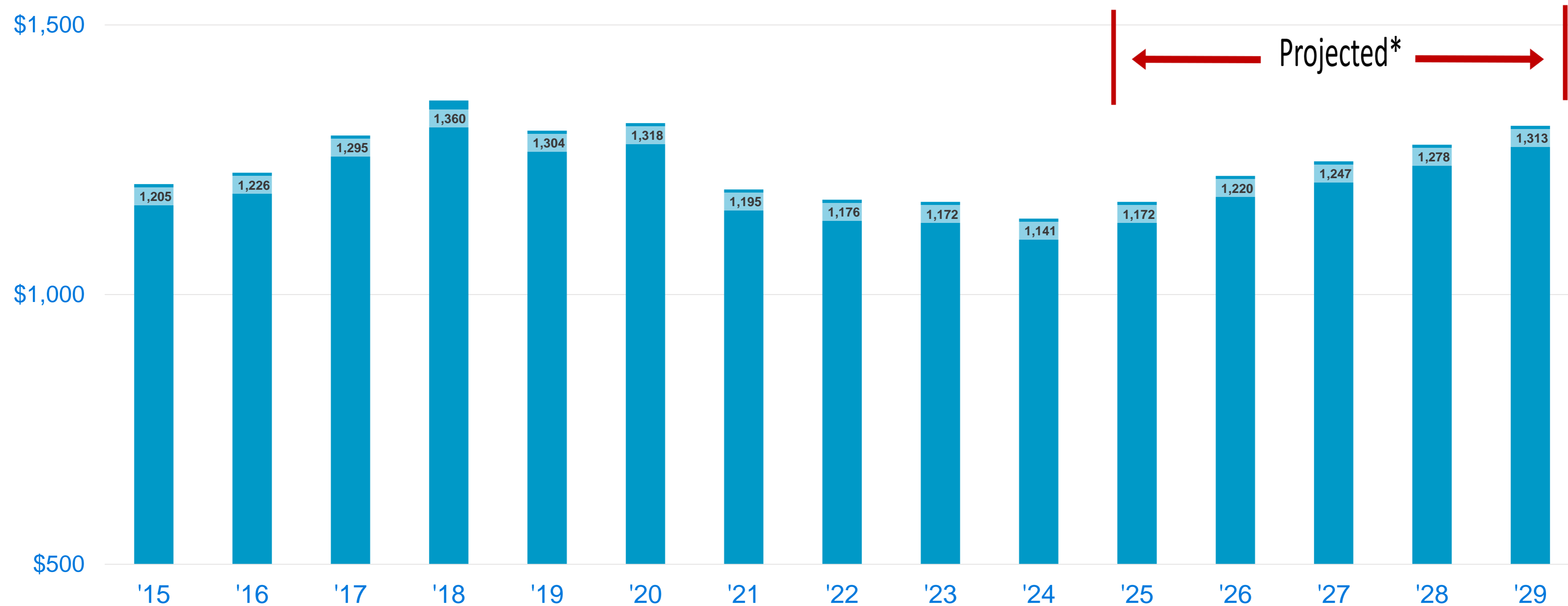
*Other includes: \$2.4M use of reserves; \$2.5M interest on investments; \$1.2M state appropriations; \$0.9M miscellaneous sources

Preliminary uses by category - \$376.9M



Wastewater outstanding debt

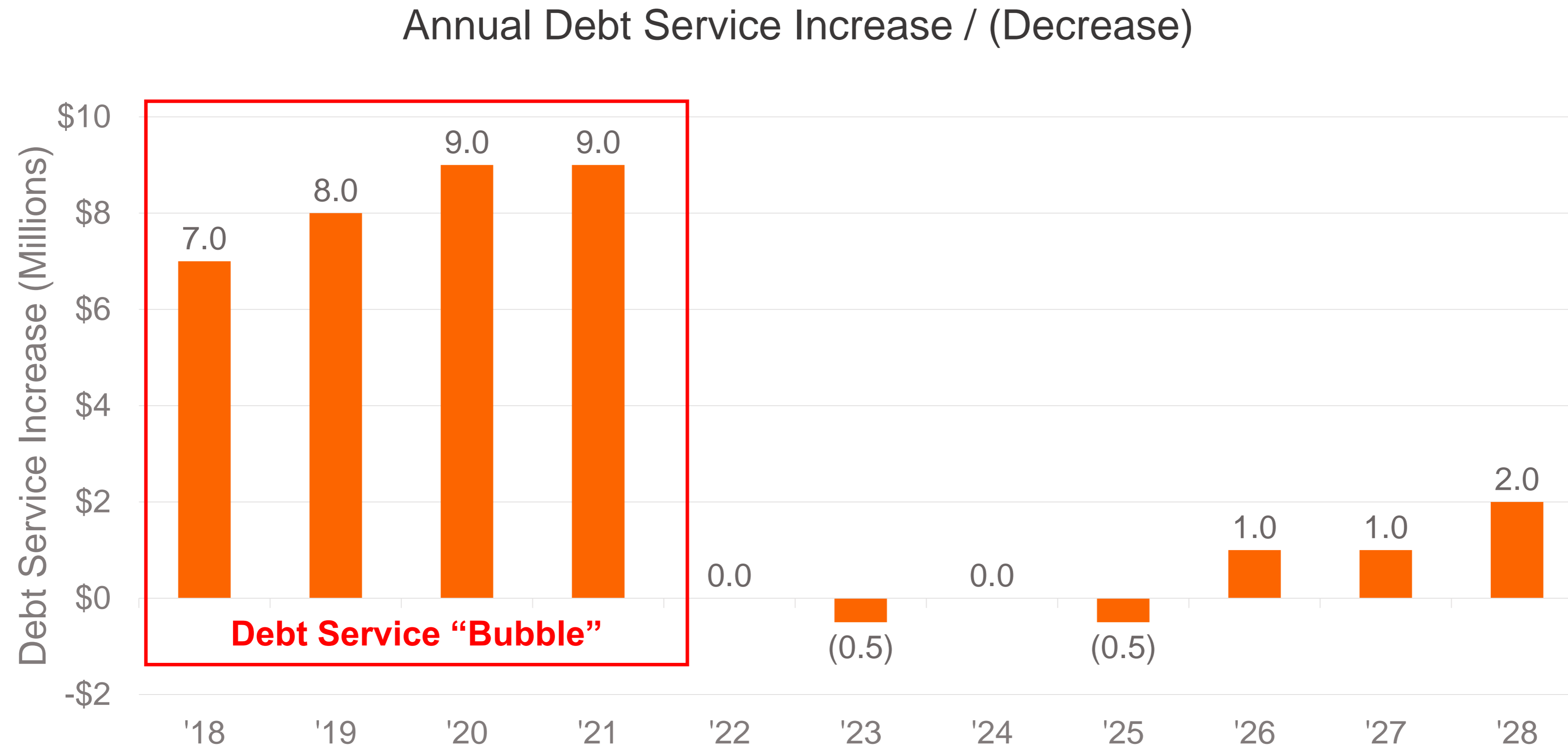
(\$ in millions)



* Assumes 75% of ACP is spent.

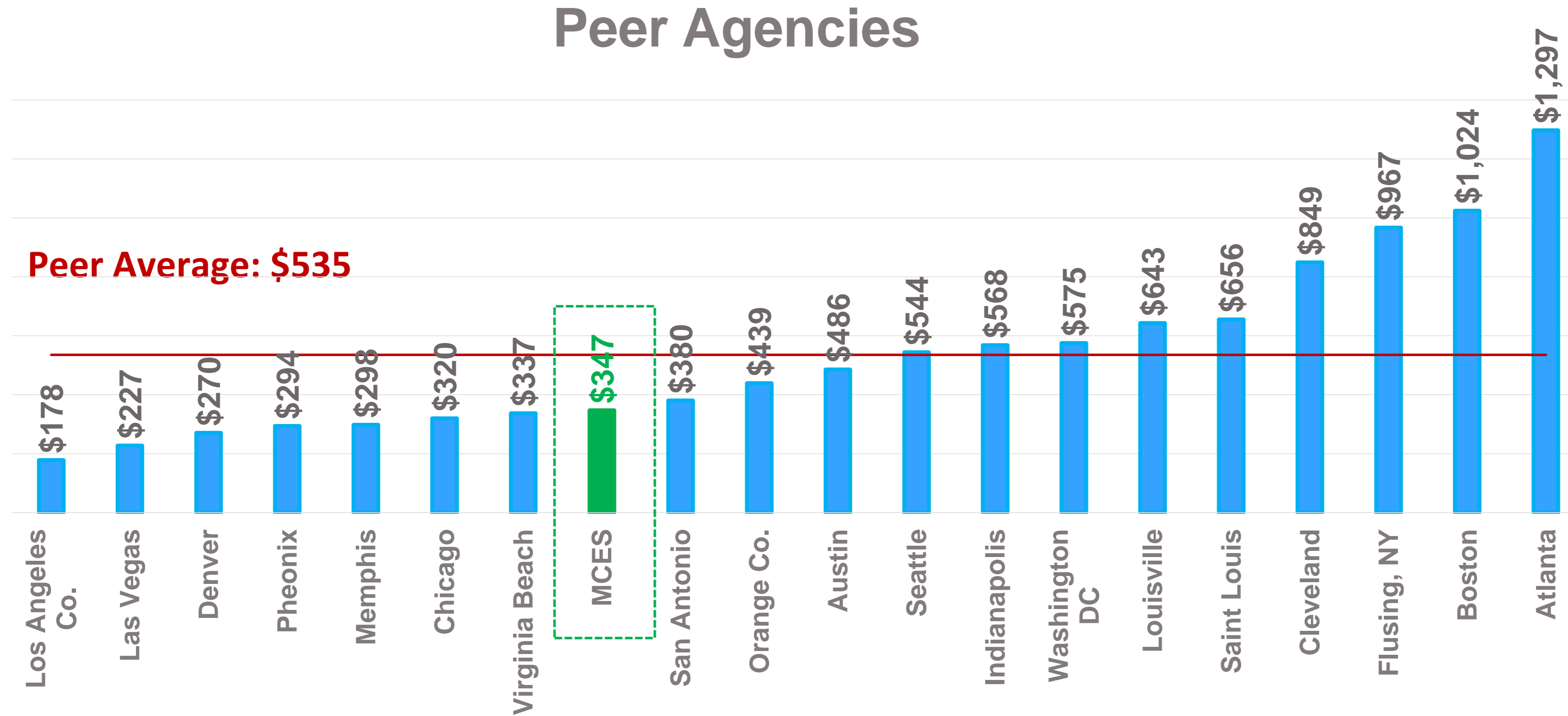
* May 2024 Bond Sale – AAA, \$60M, 20 year fixed, 3.5%

Projected Debt Service Change



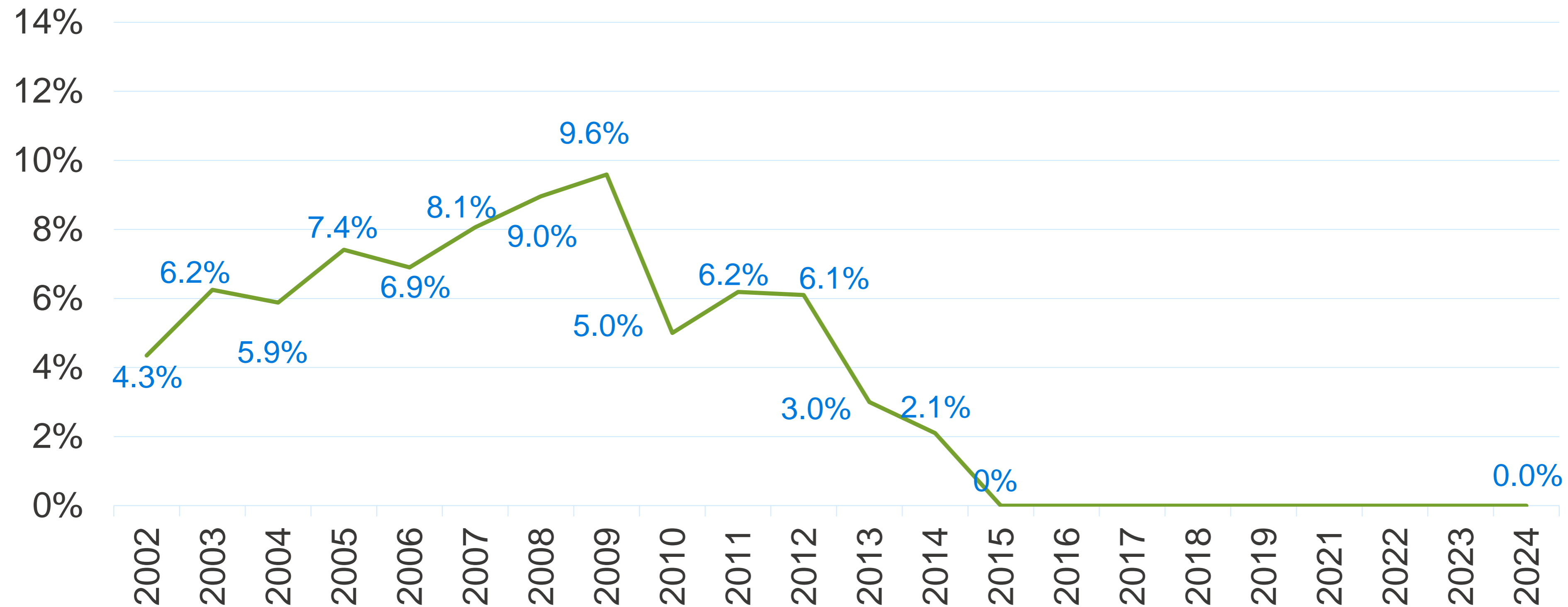
Comparative Information

- Average retail sewer rates per household



* 2020 NACWA survey of 2019 rates

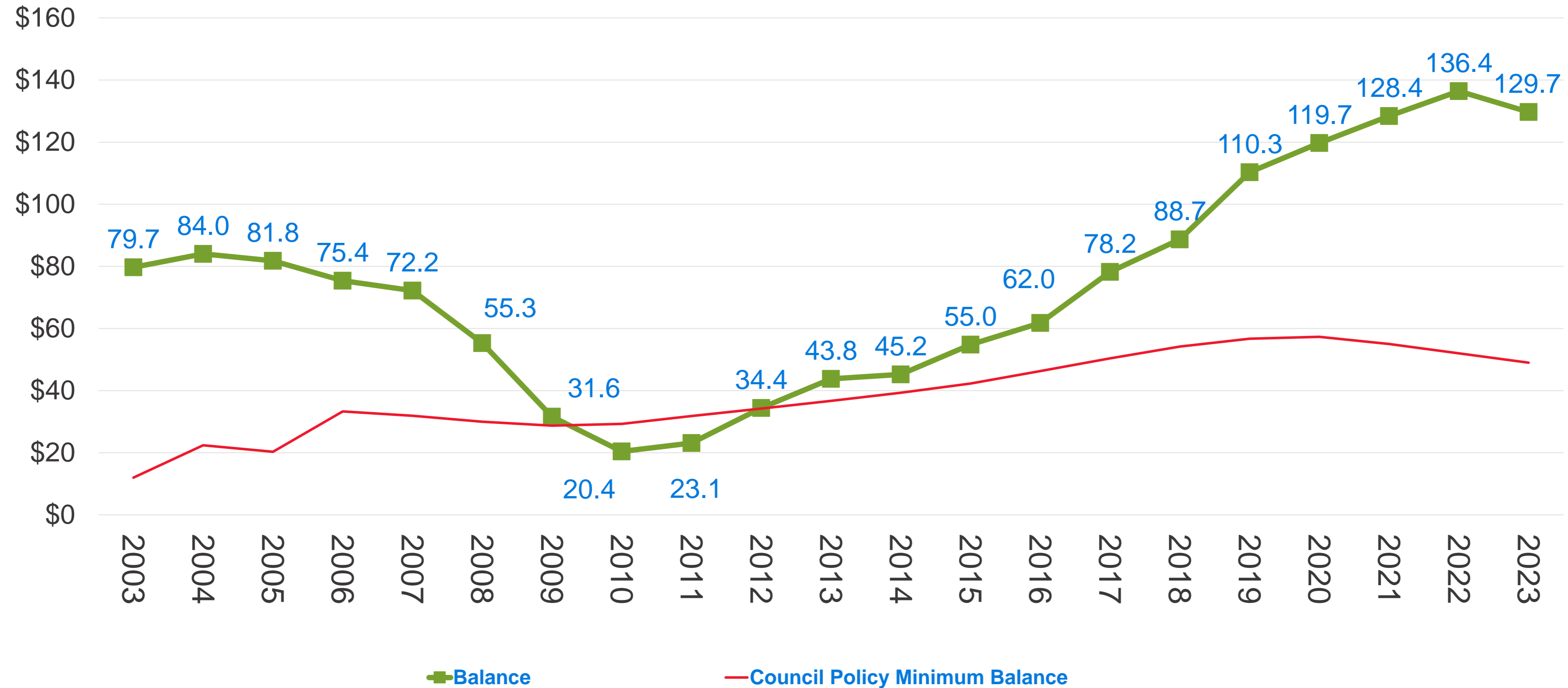
Historical SAC Rate Increases (%)



SAC units: Development Continues



SAC reserve balance



Strong reserve balance will help us manage future SAC rates

Webinar & In-Person Meeting Feedback:

- Strong attendance from 41 communities (63 non-council attendees)
- Engaged audience with helpful questions about:
 - Future plans for the Private Property Inflow and Infiltration grant program
 - Who qualifies for the Municipal Inflow and Infiltration grant program
 - Future wastewater charge increases
 - Environmental Services long term asset management plan
 - Where to find resources on fats, oils, and greases (FOG)
 - What causes flows to increase and decrease over a year
 - Where can resource be found on this presentation
- Webinar Materials & video:
 - <https://metrocouncil.org/Wastewater-Water/Funding-Finance/Budget-Workshops.aspx>

Proposed Action

That the Metropolitan Council adopt the wastewater rates and charges outlined in the business item, to be effective January 1, 2025.

Questions

Matt Gsellmeier

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