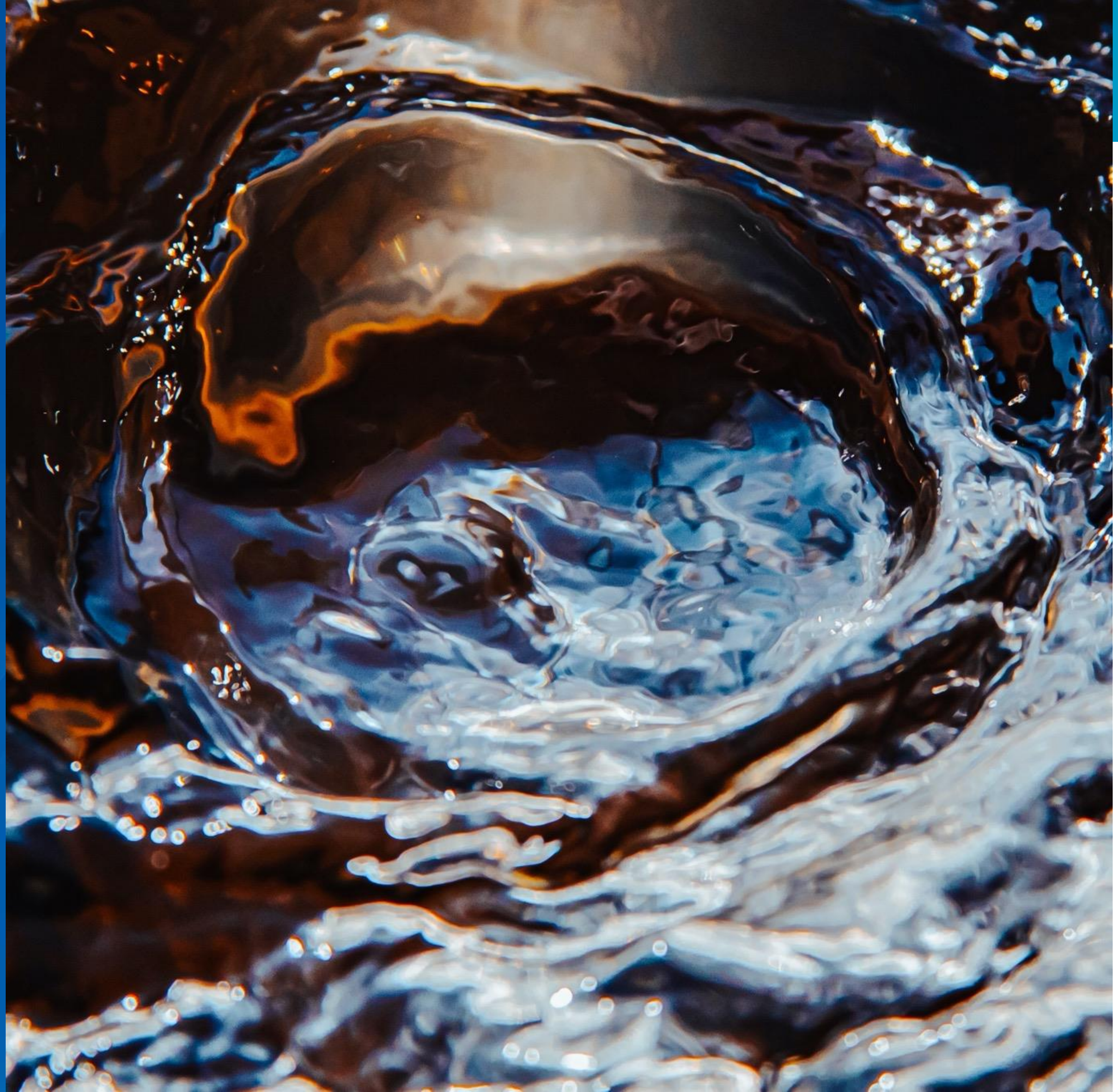


Business Item:
2025-157:

**Adoption of ES
Wastewater Rates and
Charges**

Matt Gsellmeier, Budget Manager

Environment Committee: July 8, 2025



Proposed Action

That the Metropolitan Council adopt the wastewater rates and charges outlined in business item 2025-157, to be effective January 1, 2026.

Overview

- 2026 Rate Setting Schedule
- Customer Meetings (one webinar and one in-person)
- 2026 Executive Summary
- Proposed 2026 Sources & Uses
- Debt Service
- Nationwide Comparative Rate Information
- Sewer Availability Charge (SAC)
- Industrial Rates
- Questions

2026 Rate Setting Schedule

May 8 and
May 20

Industrial Workshops

May 13

Environment Committee Budget Workshops Preview

May 22 and
June 5

Municipal Customer Forums

July 8

Environment Committee Review of Customer Input and 2026
Rate Adoption Recommendation

July 23

Council Rate Adoption

August 27

Council Preliminary Operating Budget Adoption

Customer Meetings

- Two Customer Budget Meetings were held
 - May 22 – Moore Lake building in Fridley
 - June 5 – Virtual Webinar
- Preliminary Municipal Wastewater Charges (MWCs) sent mid-May to each of our 111 communities



50 attendees from 30 communities



2026 Executive Summary

Proposed Sources vs. 2025

- Wastewater charge:5.8%
- Total Sources.....6.9%

Proposed Uses vs. 2024

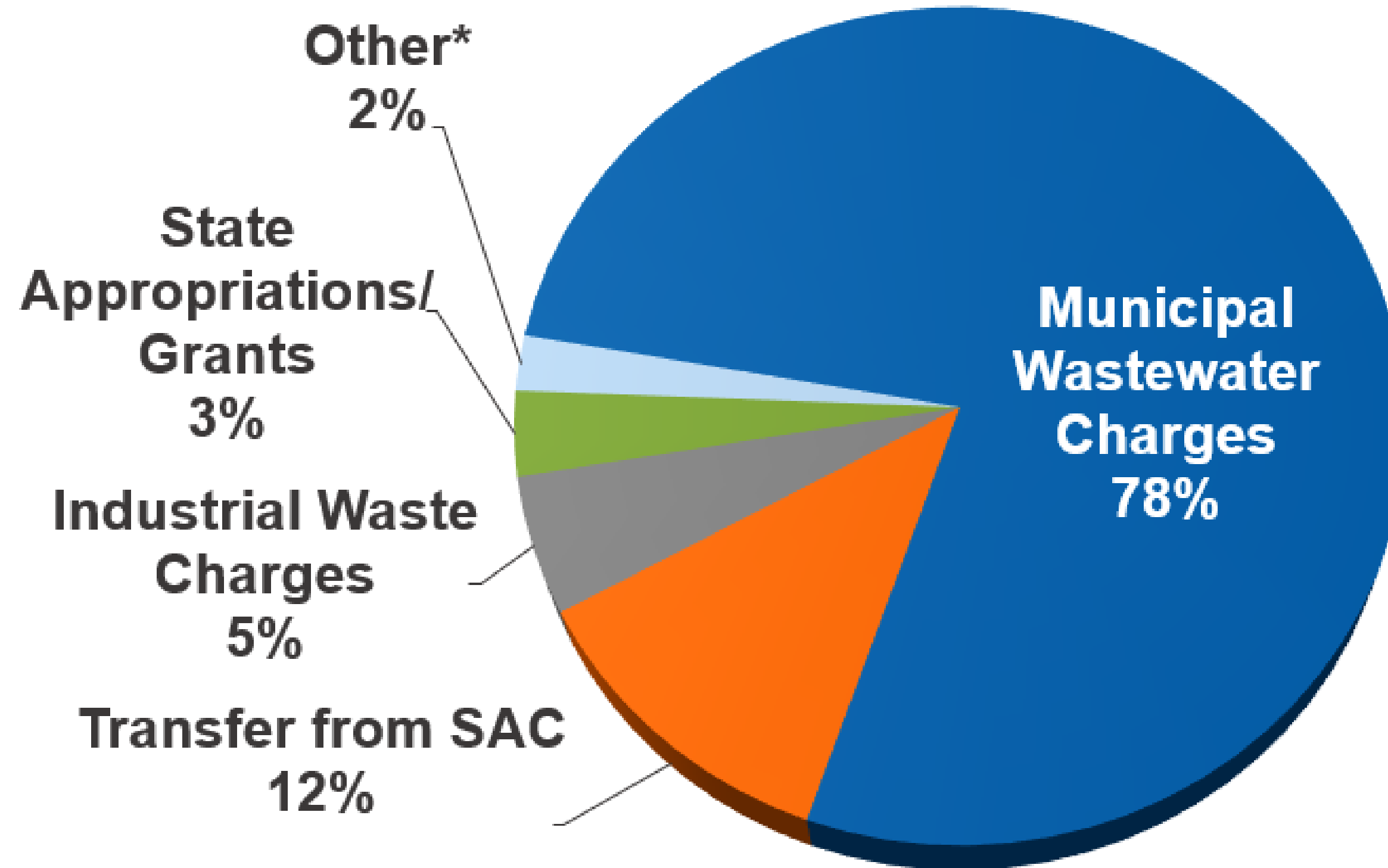
- Total Uses.....6.9%

Proposed Rates

- Sewer Availability Charge:No Increase
- Industrial Strength Charge:8.1%
- Industrial Permit Fees:~5.8% on average

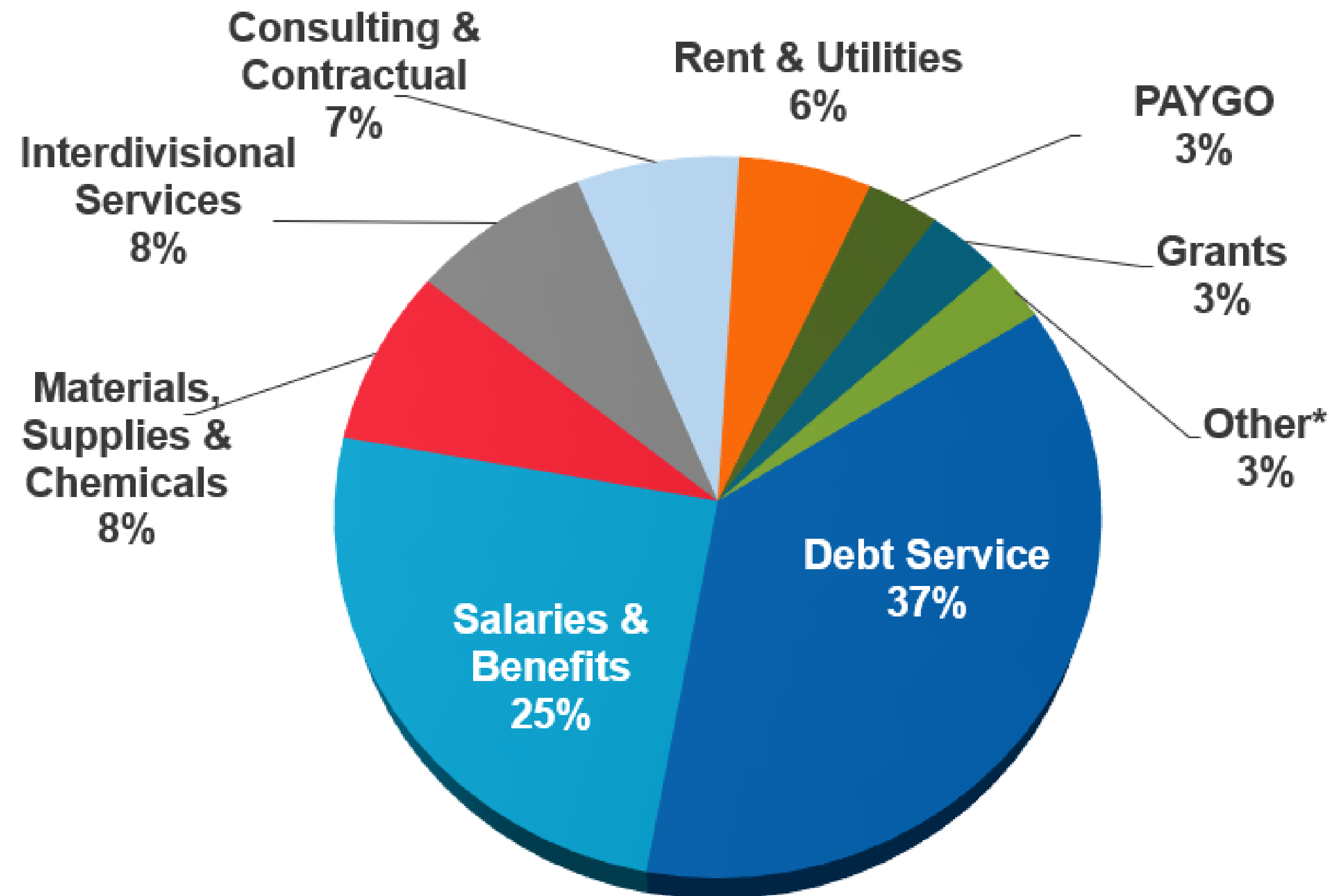


2026 revenue sources: \$405.5M



***Other includes \$4.6M use of Reserves**

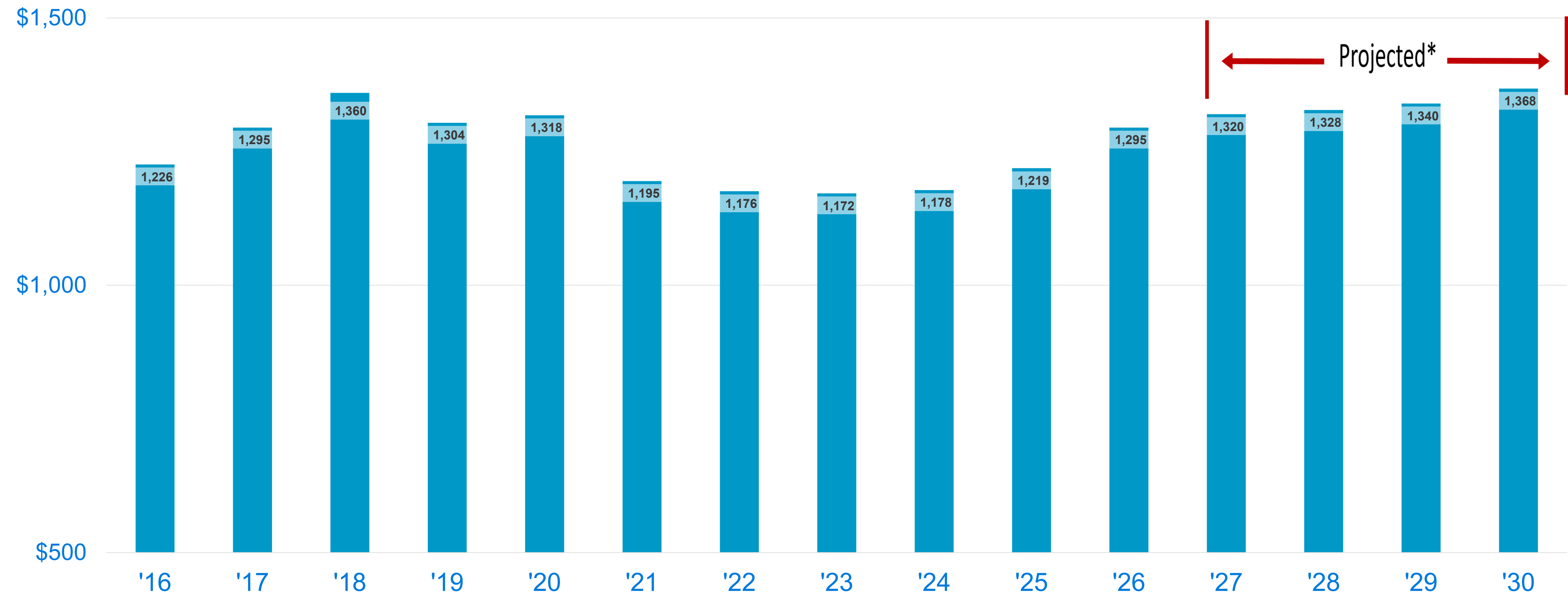
2026 uses by category: \$405.5M



*Other includes centralized projects, and misc. expense

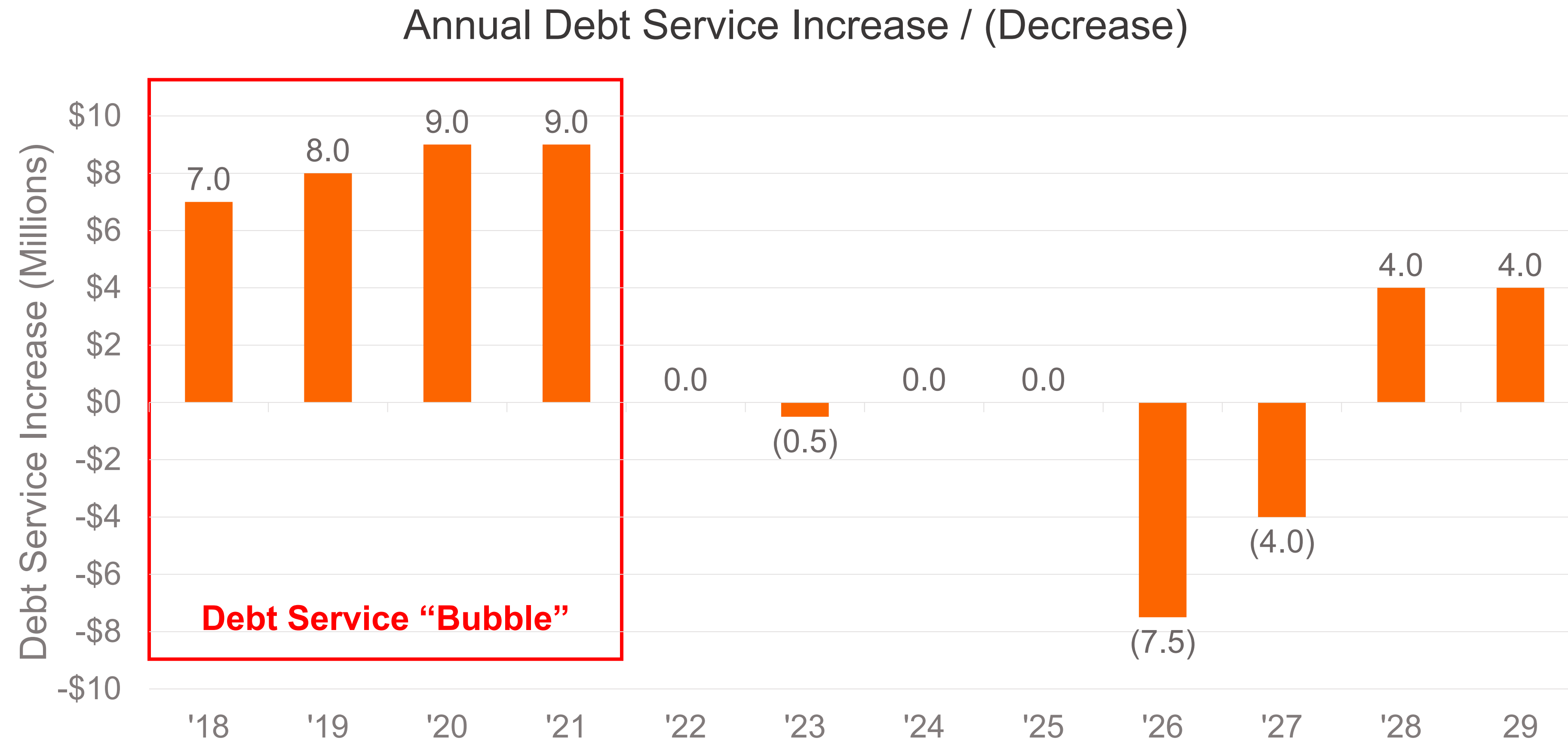
Wastewater outstanding debt

(\$ in millions)



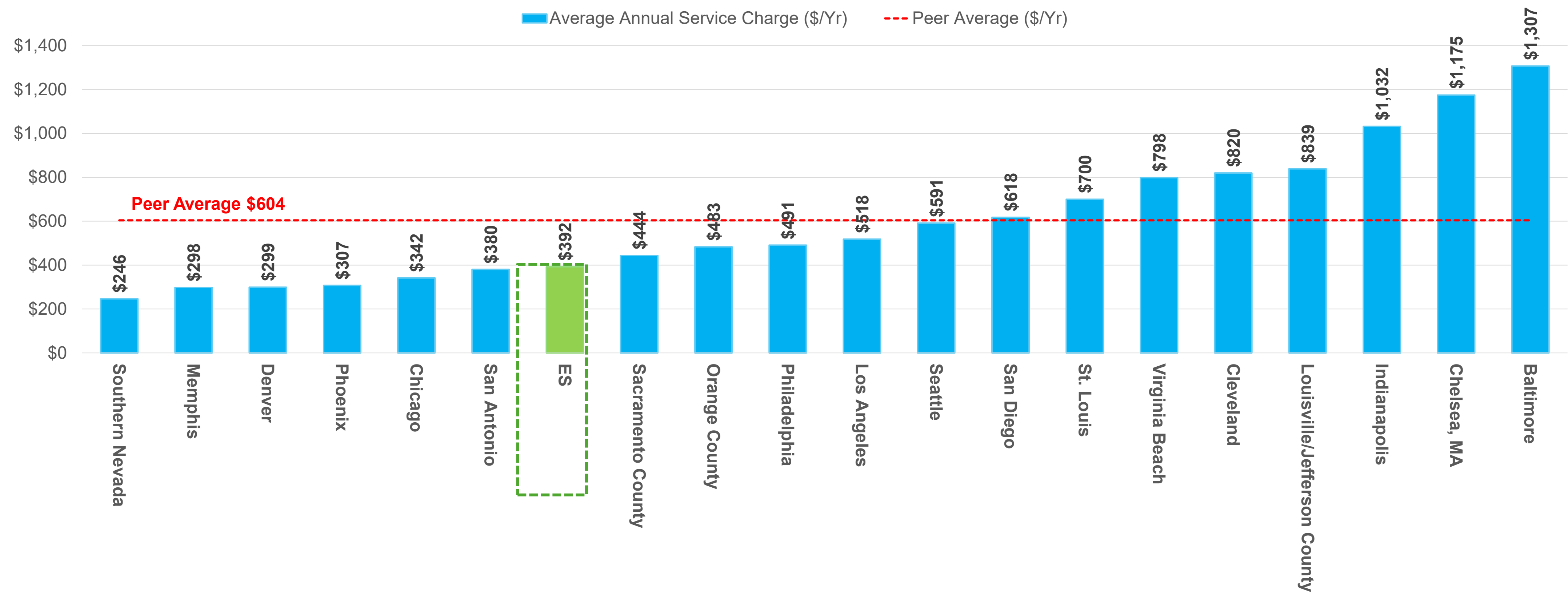
May 2025 Bond Sale – AAA, \$75M, 20 year fixed, 3.8%

Projected debt service change



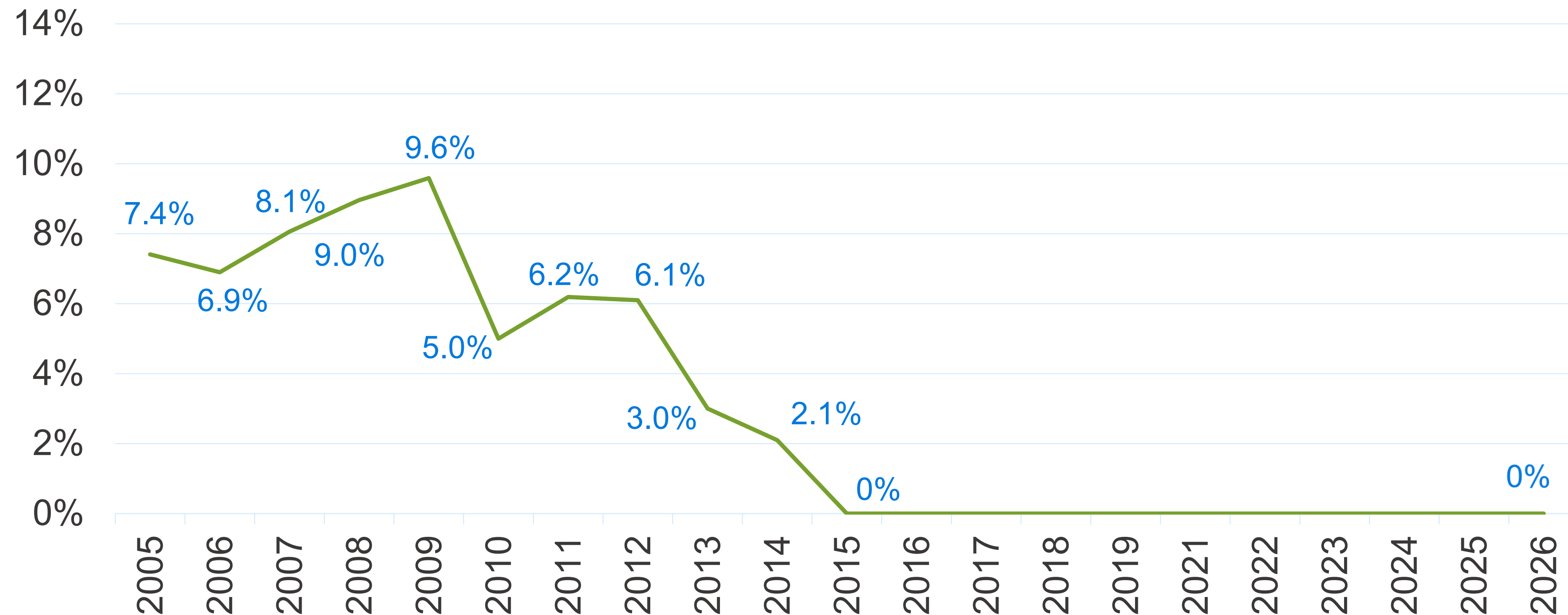
Comparative information

- Average retail sewer rates per household



* 2024 NACWA survey of 2023 rates

Historical SAC rate increases (%)

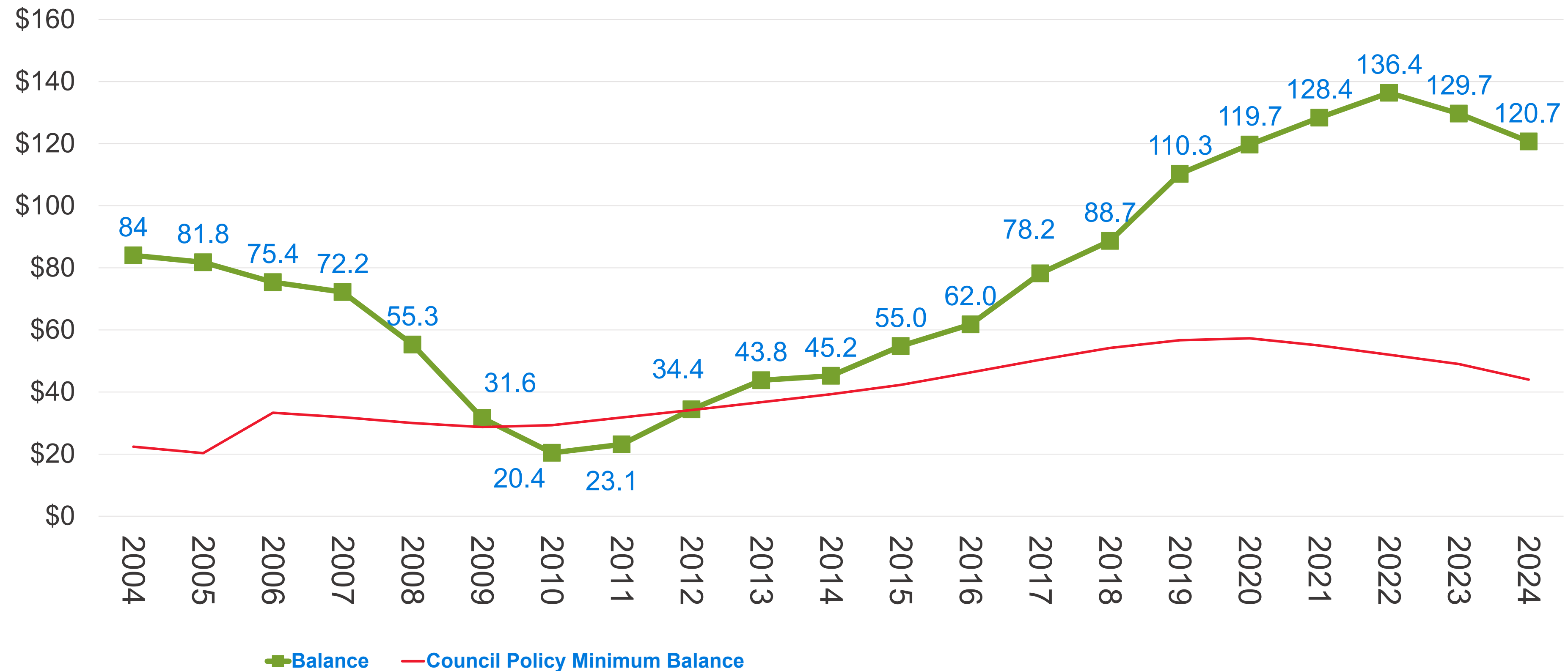


- SAC units are only charged for new or expanding development

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 30 communities (50 non-council attendees)
- Engaged audience with questions about:
 - Future of the Private Property Inflow and Infiltration grant program
 - Inquiry on mobile homes and apartments
 - Future wastewater charge increases
 - History of the MWC rate structure including previous task force activity
 - Flows variation from year-to-year
 - Recent SAC development and city-specific administrative costs
 - Industry updates on PFAS removal
 - Where can resource be found on this presentation
- 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 in business item 2025-157, to be effective January 1, 2026.

Questions

Matt Gsellmeier

Budget Manager

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