

2022 MCES Customer Budget & Annual Update Questions & Answers

From virtual events held May 26 and June 7, 2022

With the decline in flows used for the 2023 rates/budget allocation, is there an estimate of the system-wide reduction in flows related to less I/I due to the drought last summer?

The last two years have seen precipitation decreases (2020 and 2021) and corresponding regional flow decreases. We have not quantified a volume amount of the regional flow decrease attributed to I/I; as this would be very challenging, especially considering the impacts that water use conservation and growth during that time period also had on regional wastewater flow volume.

Have there been financial impacts from COVID?

The short answer is no. From a revenue standpoint, SAC has continued to be healthy. From an expense perspective, expenses have been minimal and included testing, plexiglass barriers, masks, temperature scanners, etc. Some of those expenses will likely be recoverable through FEMA funding. Operations have been smooth; we are very grateful to operations and front-line staff. And all customers have been able to make MWC payments.

What has been done to minimize cost increases placed on local agencies?

We've held our cost increases at 4% or less for the past five years and continue to look for cost control efforts and issues to keep our rates as low as we can. To reduce the volatility of energy costs, we are working to generate more of our own electricity with capital projects. These include a generator at Empire Wastewater Treatment Plant to be powered using digester gas, solar power projects, etc. We've used SAC reserves and SAC remains healthy. We always prioritize keeping expenses under control and looking for efficiency in operations (reduced headcount since the 90s). We staff based on work, not on shifts, which reduces staffing costs including staff overtime costs.

When will you have each city's sewer charges available so we can develop our budgets for 2023?

MCES sent out preliminary 2023 municipal wastewater charge billing sheets in early May. Please feel free to contact Anna Bessel or Kyle Colvin and they will be happy to get that information to you and talk through the factors that played into your municipal wastewater charge.

What is the reason for MCES billing charges a month prior to cities? Would MCES ever consider billing its charges at the beginning of the calendar month rather than in the prior month?

There are two reasons for MCES billing charges occurring a month prior:

1. The billing process is thought of as similar to a mortgage: pay in advance, the first month of service.
2. This is difficult logistically to do on the last day of the month (i.e. 31, 30, 28, etc.)
3. To change now would mean skipping a month of revenue and using operating reserves to cover the lost revenues. This is not an optimal (or intended) use of MCES reserves.

We send the bills out a month in advance so when funds come in, they will pay for the current month.

Is the meeting recording available online?

Meeting materials will be available online after the June 7th webinar. MCES will email a link to all attendees once materials are posted.

I'm interested in COVID-19 testing and monitoring.

For more information beyond what was presented in the meetings, please visit <https://metrotransitm.n.shinyapps.io/metc-wastewater-covid-monitor/>.

What if City Comprehensive Plan models show capacity issues with the MCES interceptor in the community? Who should we contact?

MCES noted this in the review of the City's Comprehensive Plan. MCES is currently reviewing its system flow records and projected growth forecasts and Kyle Colvin will reach out to the city to discuss the City's modeling assumptions and result findings.

