

Business Item: 2019-190
MCES Wastewater Rates and Charges
Adoption

Ned Smith, Director, ES Finance & Revenue

Environment Committee: July 9, 2019



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, 2020.



Overview

- 2020 Rate Setting Schedule
- Customer Workshops & Open Houses
- 2020 Executive Summary
- Proposed 2020 Sources & Uses
- Debt Service
- Sewer Availability Charge (SAC)
- Industrial Rates
- Questions



2020 Rate Setting Schedule

- Industrial Workshops – Metro 94*
 - March 21: Liquid Waste Haulers
 - April 18: Industrial Waste Customers
 - April 25: Industrial Waste Customers
- May 14: Environment Committee Direction for Public Meetings
- Municipal Customer Forums*
 - May 23: Minnetonka Community Center
 - June 6: League of MN Cities
- July 9: Environment Committee Review of Customer Input and 2020 Rate Adoption Recommendation
- July 24: Council Rate Adoption
- Aug. 21: Council Preliminary Operating Budget Adoption

* *public input*

Customer Workshops & Open House



- Open House format with 12 stations featuring Environmental Services departments
- Preliminary Municipal Wastewater Charges (MWCs) sent mid-May to each of our 110 communities
- 48 attendees from 30+ communities

2020 Executive Summary

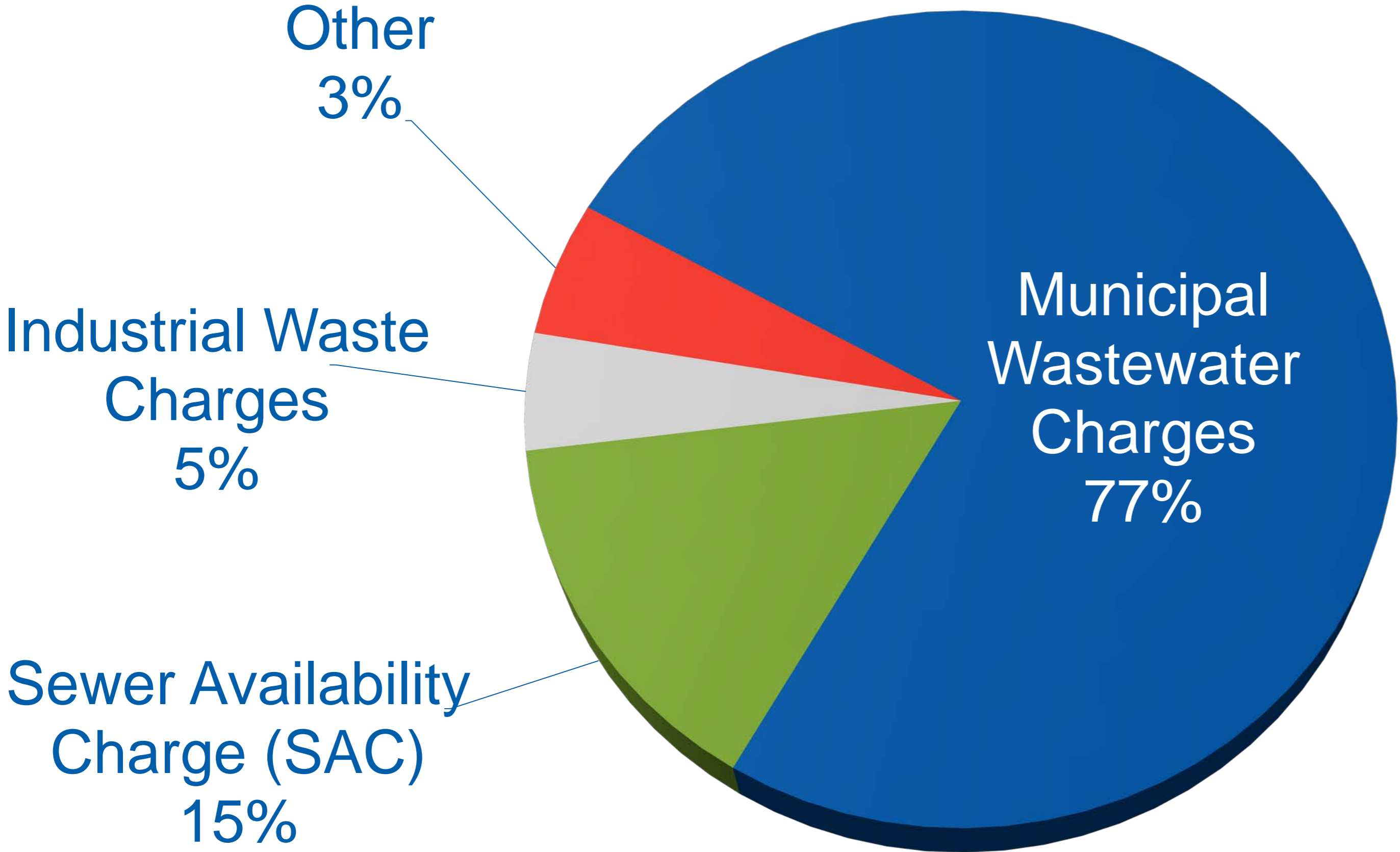
- Proposed Sources & Rates
 - Regional wastewater charge: 3.6%
 - Sewer Availability Charge: No Increase
 - \$2,485 per SAC Unit – same since 2014
 - **Industrial Strength Charge: 4.5%***
 - Industrial Permit Fee: 3.6%
- Proposed Uses (vs. non-amended 2019 budget)
 - 1.9% increase over 2019
 - 4.8% increase excluding pass-through grants



Industrial Waste Workshop

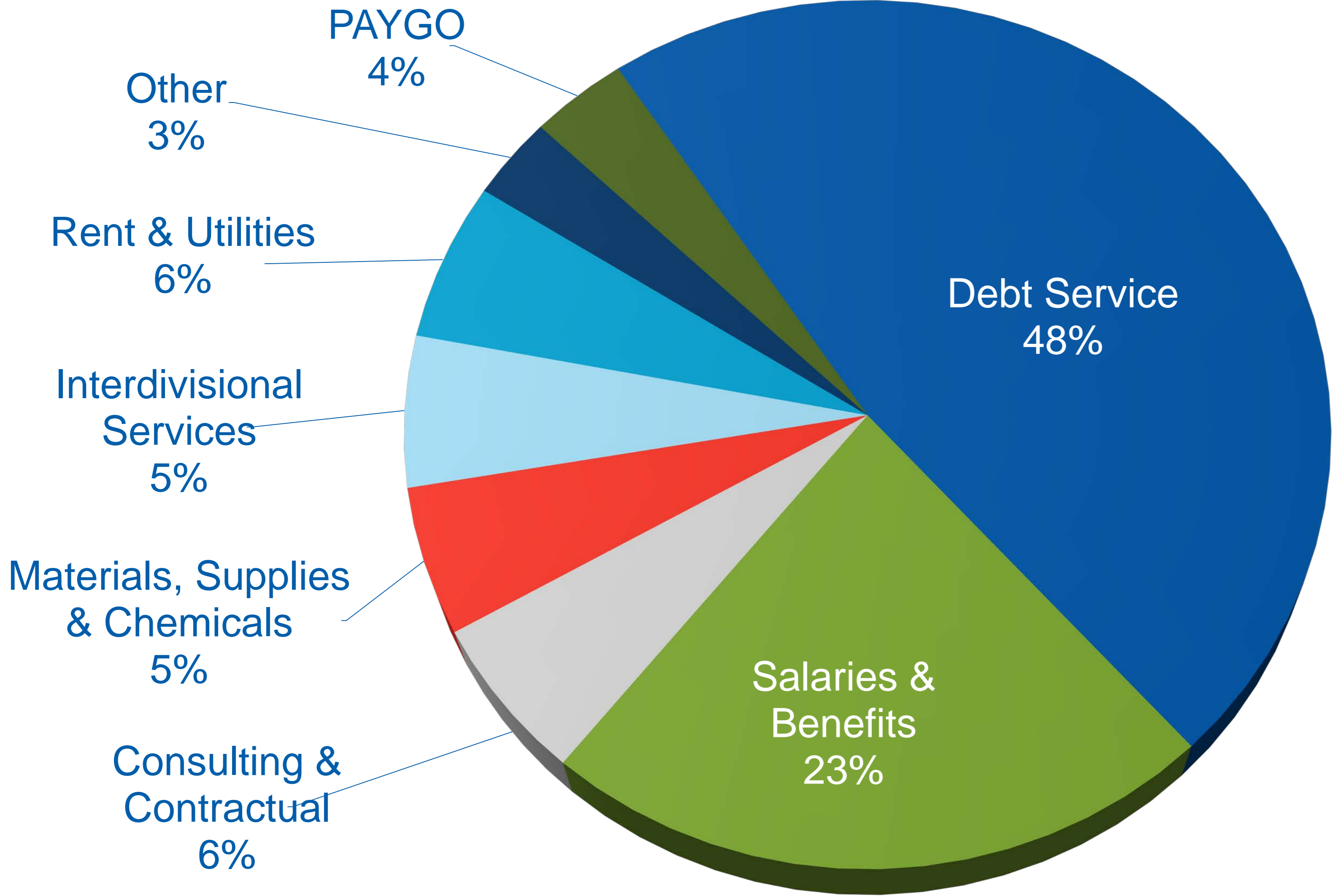
**Change from 3.9% presented on May 14*

Proposed 2020 Revenue Sources: \$310.8M



*Other includes state appropriations, OPEB adjustment, and \$3.5M use of Reserves

Proposed 2020 Uses by Category: \$310.8 Million

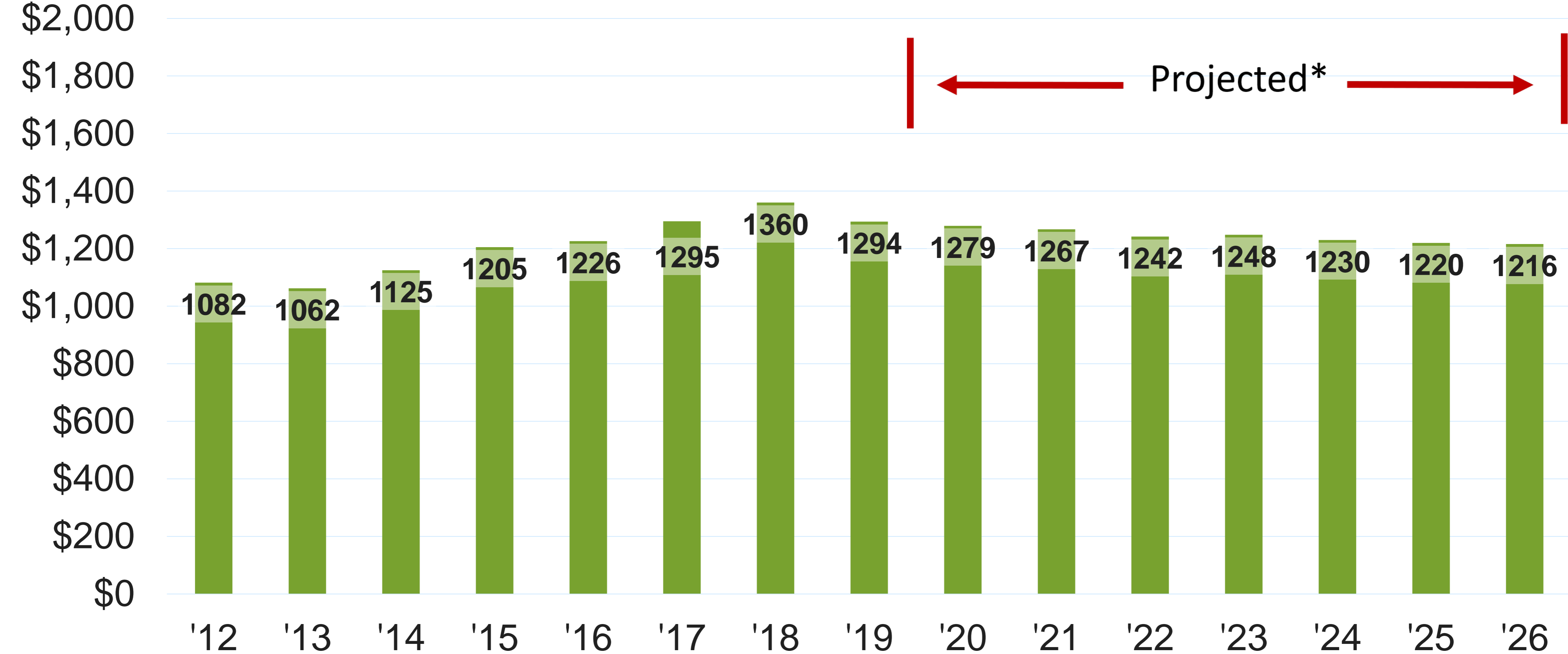


*Other includes pass through grants, centralized projects, and other misc. expense



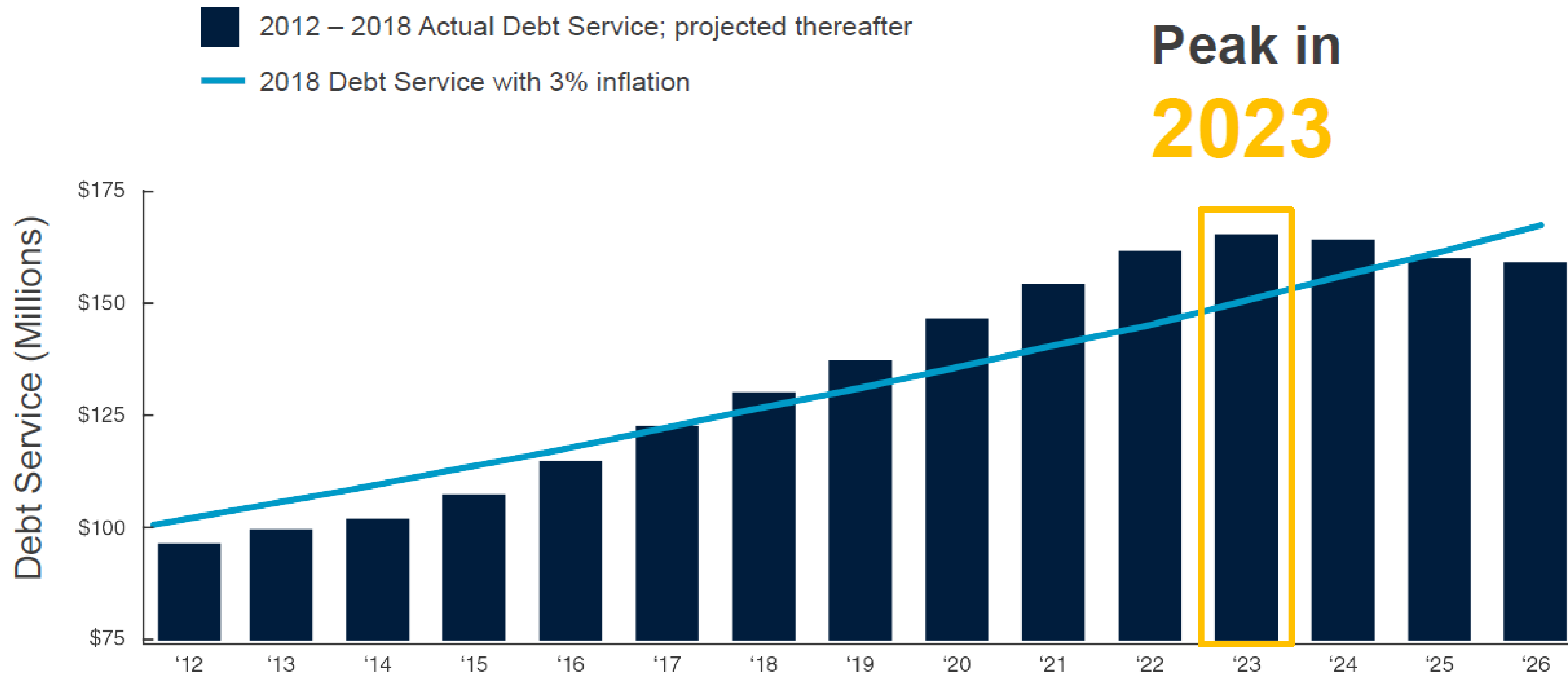
Wastewater Outstanding Debt

(\$ in millions)



Debt Service “Bubble” Peaking

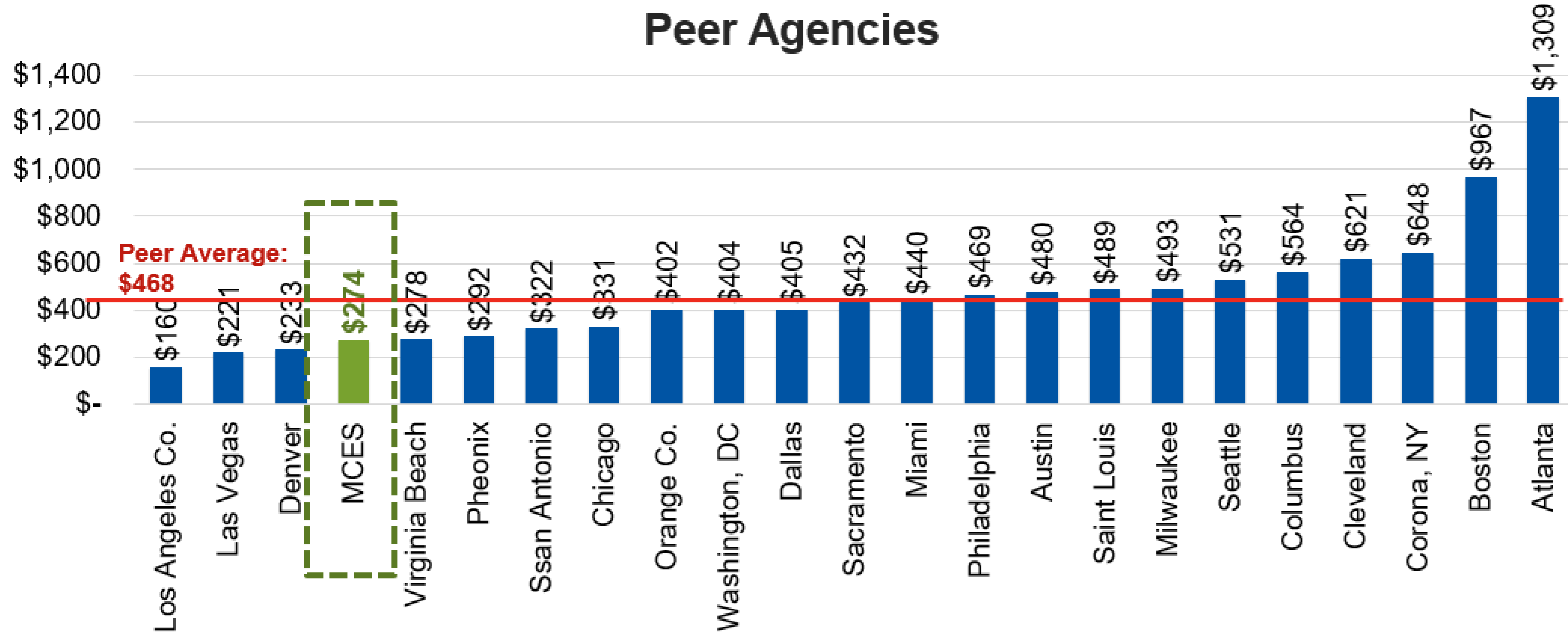
Debt bubble driving +\$7 - \$10 Million expense increase per year



Comparative Information

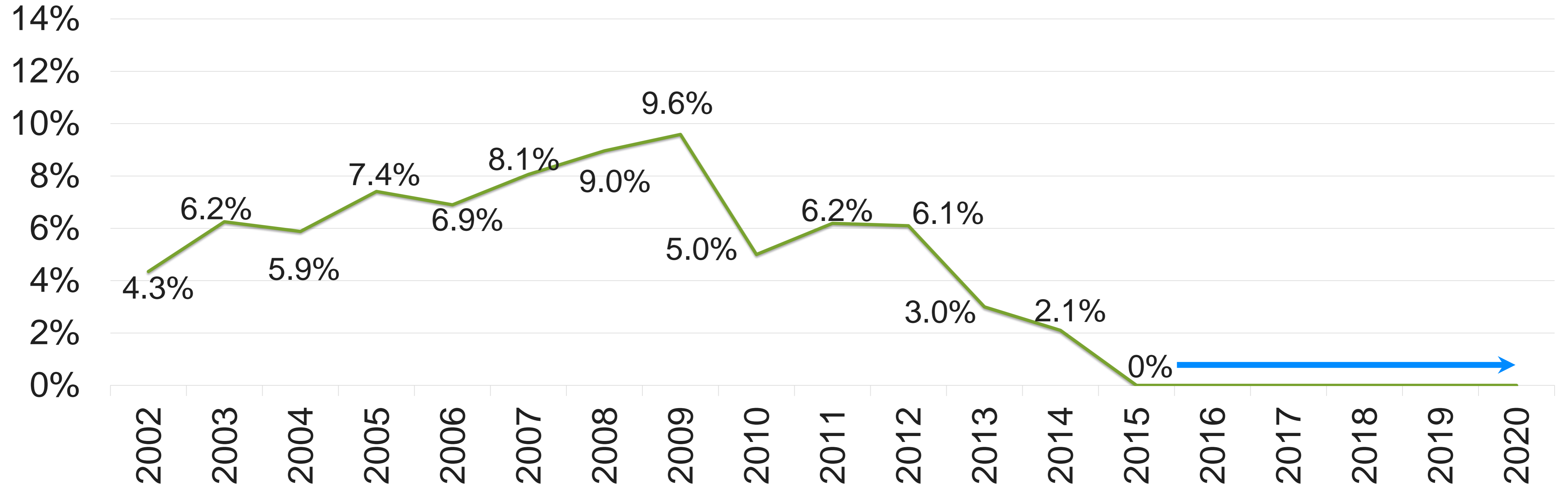
2016 Retail Sewer Charges per Household

Peer Agencies

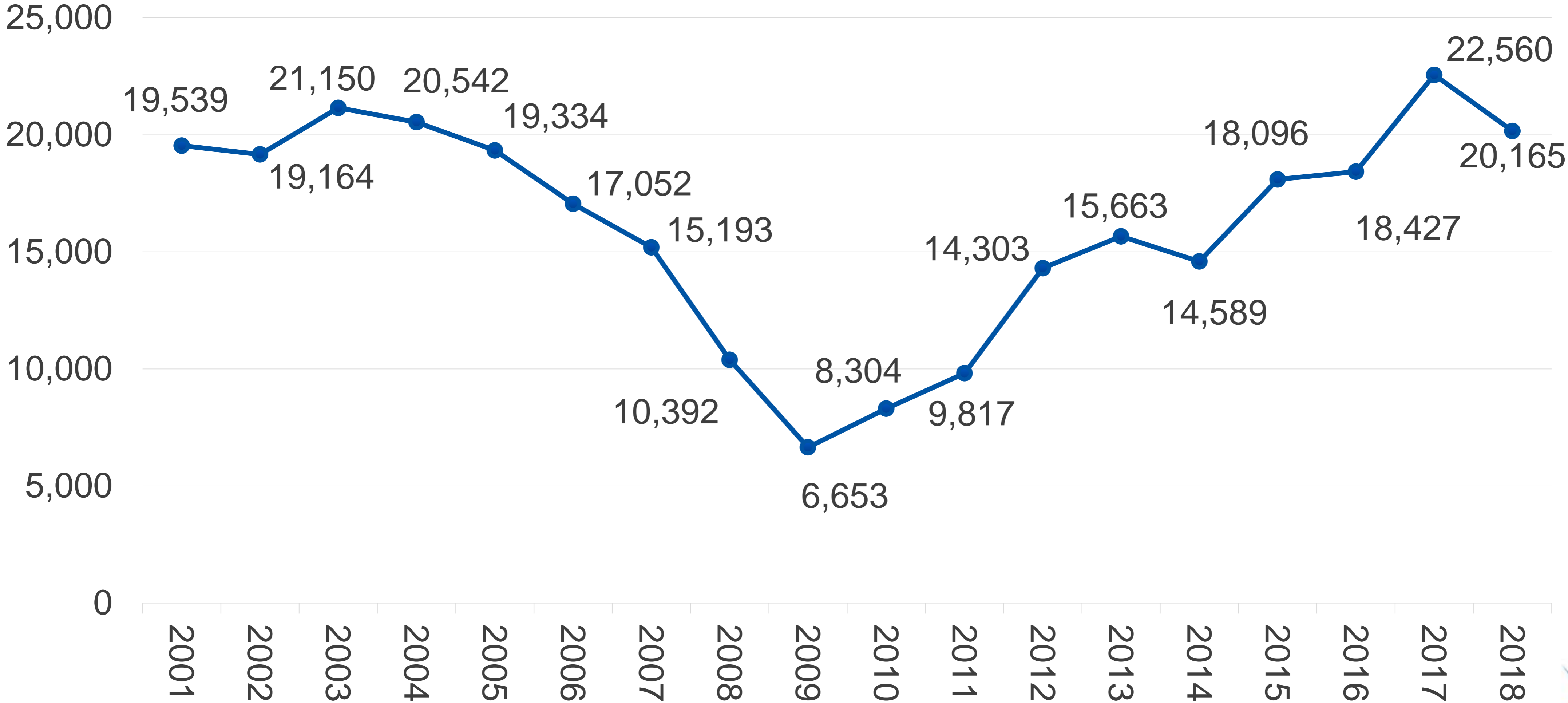


* 2017 NACWA survey (2016 rates)

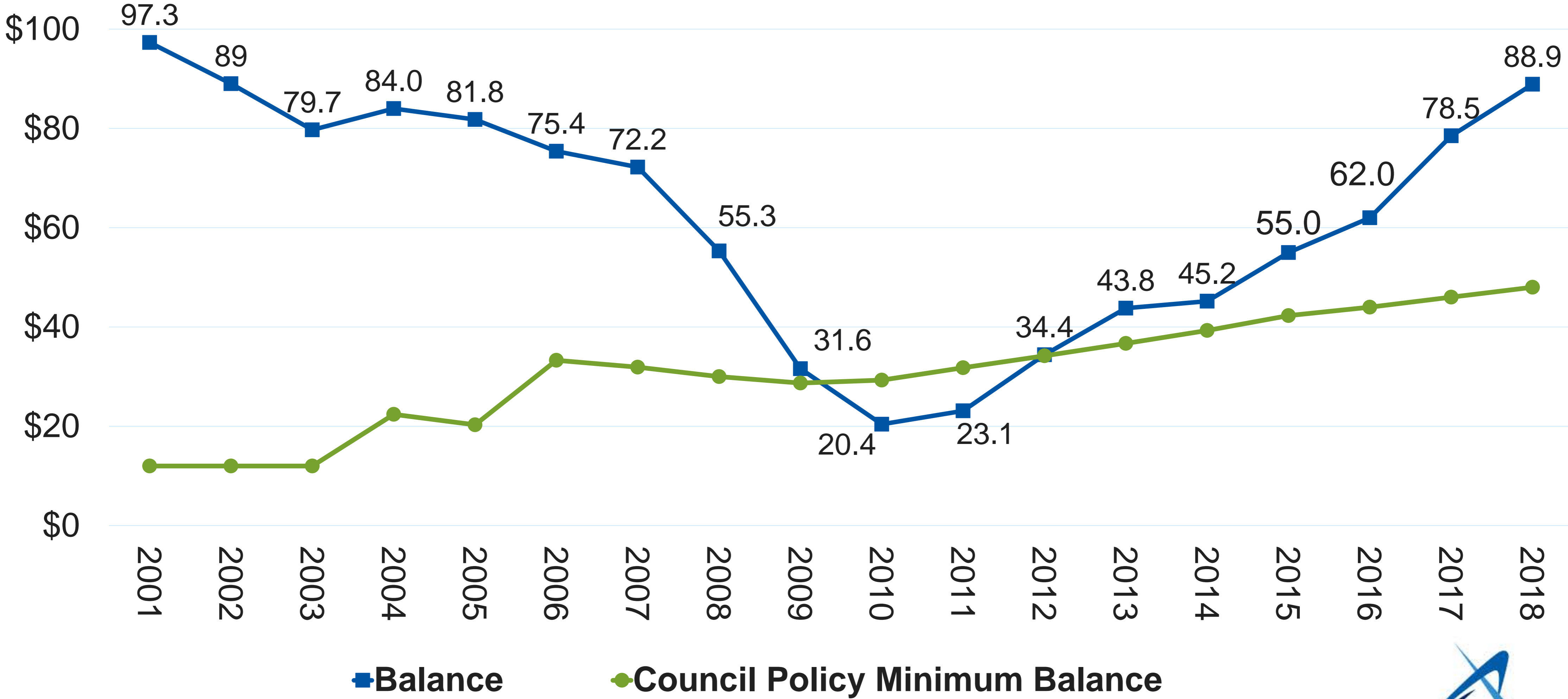
Historical SAC Rate Increases (%)



SAC Units: Recovering



SAC Reserve Fund



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Questions

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