



# Information Item

## Retail Residential Wastewater Rates



Environment Committee: November 8, 2022

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# Agenda

1. Process overview
2. 2022 results overview
3. Historical sewer charges per household
4. Peer agencies comparison
5. Wastewater charge details
6. Questions

# Process Overview

# Wastewater Rate Review Process

- Retail sewer charges by community are analyzed every two years
  - 111 communities in 2022
  - Charges include the wholesale cost from Metropolitan Council Environmental Services (MCES) plus city charges that fund local sewer costs
- Retail charges are looked at in even numbered years (done for over 35 years)
- Charges are for a single-family detached home
- Rates are based on households using 60,000 gallons of clean water per year, on average.
- We use this data to see how retail rates compare locally and nationally

# 2022 Results Overview

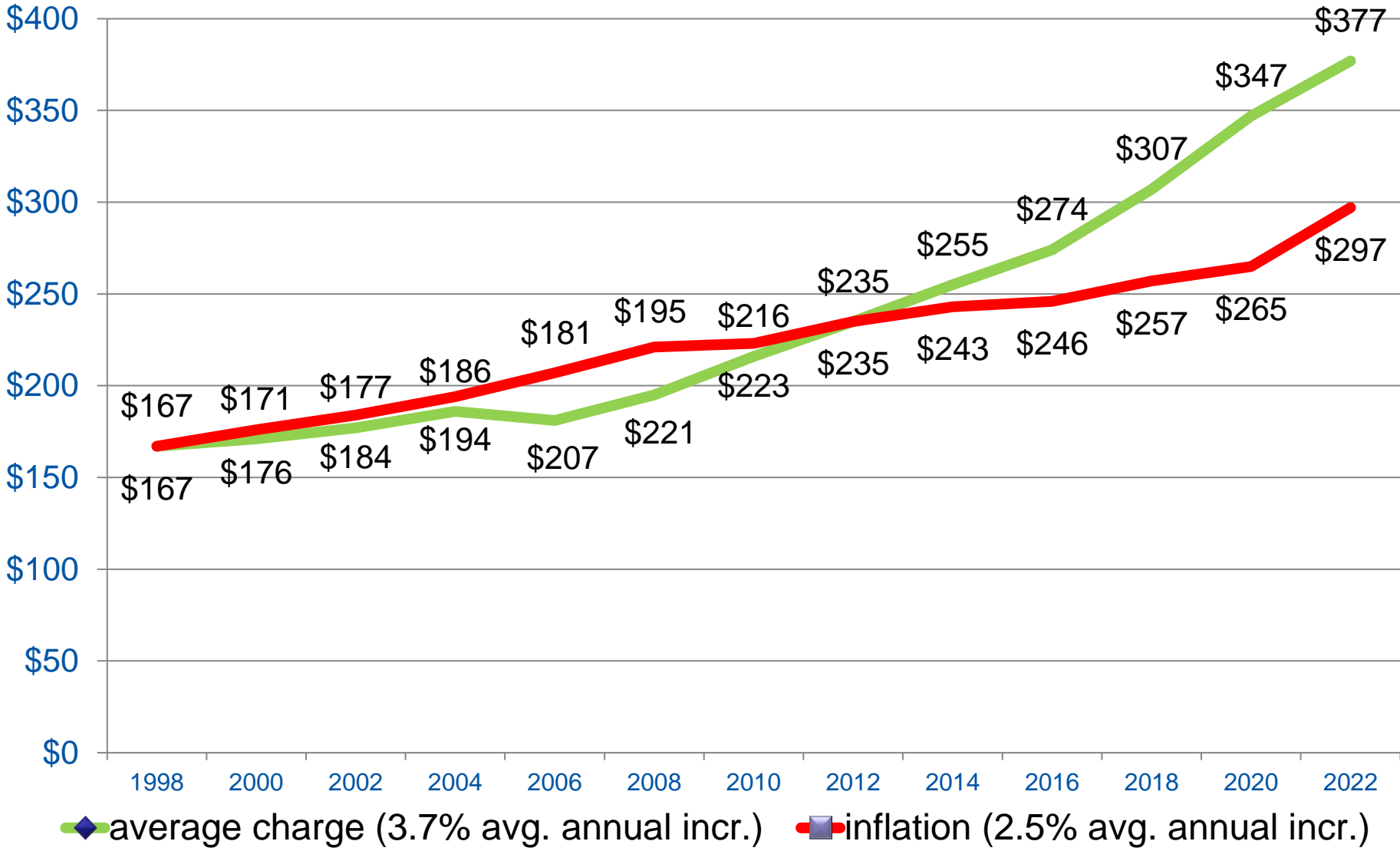
# Overview of 2022 Results

- Weighted average residential annual sewer charge per household in the metro area = \$377
- Range of highest 10 city charges: \$614 to \$968
- Range of lowest 10 cities: \$160 to \$250
- 52% (\$197) of the \$377 is paid to MCES
- Charges in the 5 largest cities:

City	Number (#) of 1&2 family homes	Average sewer charge
Minneapolis	77,100	\$470
St. Paul	69,650	\$468
Bloomington	25,300	\$309
Plymouth	24,800	\$379
Woodbury	23,100	\$328

# Historical Household Sewer Charges

# Region Average (Avg.) Household Sewer Charge

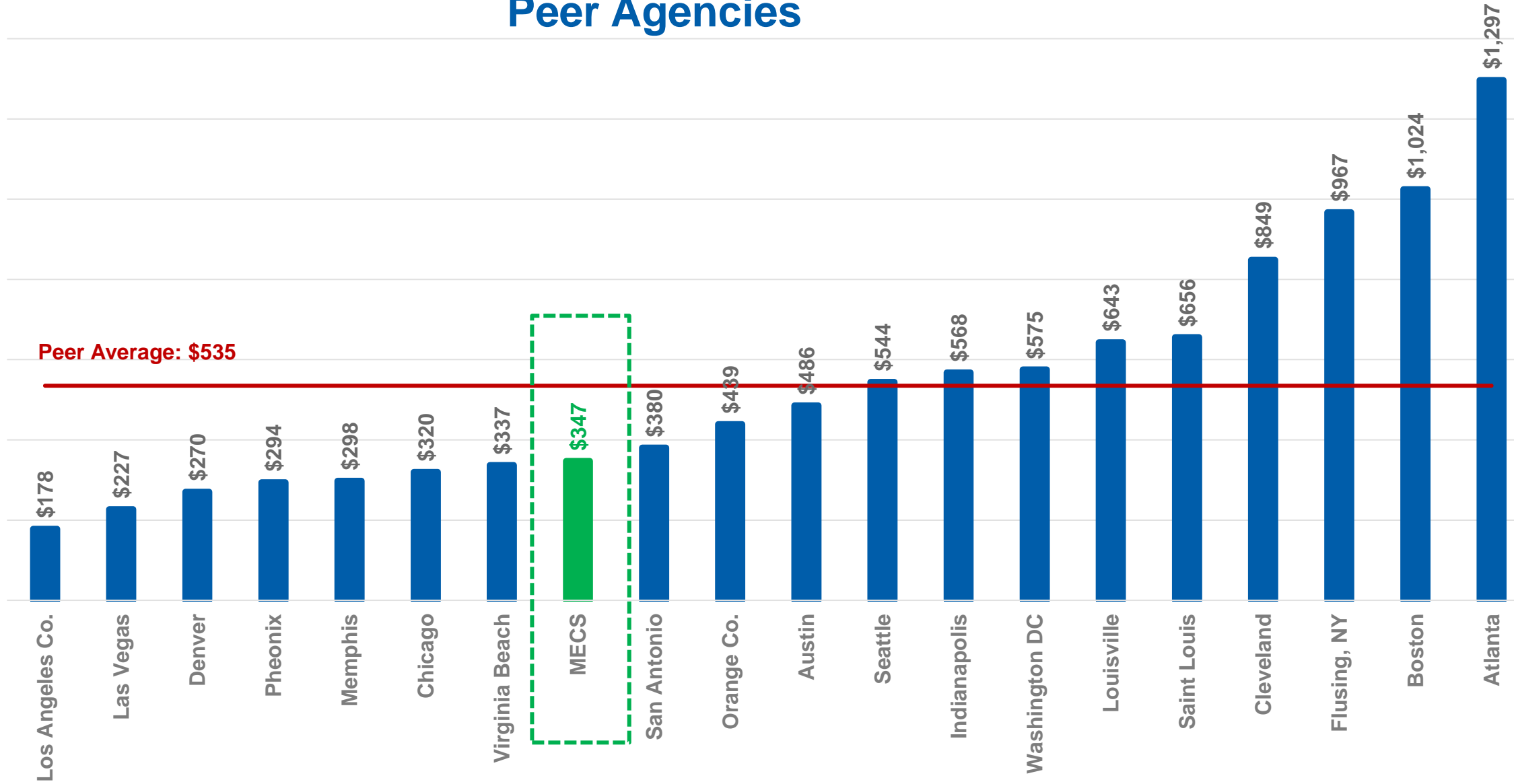




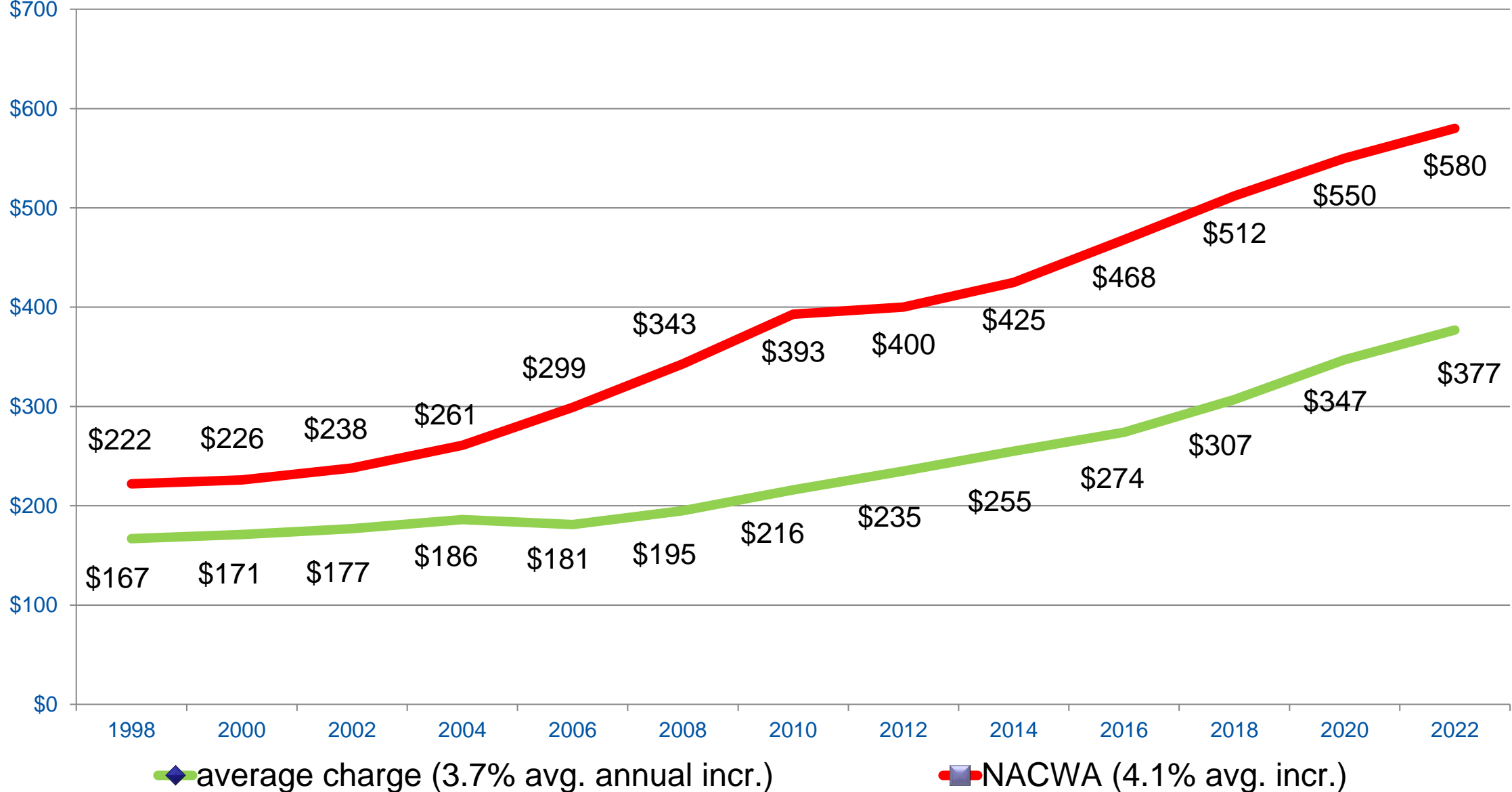
# Peer Agencies Comparison

# Retail Sewer Charges Per Household (2019 rates from 2020 National Association of Clean Water Agencies (NACWA) survey)

## Peer Agencies



# Our Average Charge Compared to NACWA (per household)



# Wastewater Charge Details

# MCES' Portion of Charges

We assume that 60,000 gallons of water sold equates to 70,200 gallons of wastewater due to I/I that is estimated to be 17% of flow.

Year	Average retail charge	MCES portion	MCES % of total charge
2008	\$195	\$119	61%
2010	\$216	\$139	64%
2012	\$235	\$130	56%
2014	\$255	\$150	59%
2016	\$274	\$172	63%
2018	\$307	\$170	55%
2020	\$347	\$188	54%
2022	\$377	\$197*	52%

\* \$197 = 70.2 X \$2.81 (MCES' Municipal Wastewater Charges (MWC) per 1,000 gallons)

# Highest Charges per Household

City	2022
Independence	\$968
Orono	\$758
Greenfield	\$663
Loretto	\$638
Arden Hills	\$636
Elko New Market	\$634
Mound	\$623
Wayzata	\$621
North St. Paul	\$619
West St. Paul	\$614

Weighted average for Region = \$377

Minneapolis = \$470

St. Paul = \$468

# Lowest Charges per Household

City	2022
Mendota	\$160
Empire Township	\$193
Gem Lake	\$200
Hilltop	\$200
Lillydale	\$210
Osseo	\$222
Lauderdale	\$231
Laketown Township	\$240
Willernie	\$242
Lino Lakes	\$250

Weighted average for Region = \$377 (\$197 is Environmental Services (ES) portion)  
 Minneapolis = \$470  
 St. Paul = \$468

# Type of Rates Used by Cities

Rate Type	# of communities using this type
Base/uniform rate	73
Flat charge	17
Base/increasing block rate	13
Uniform	5
No residential sewer rates (Medicine Lake and Landfall)	2
Increasing block rate (Golden Valley)	1



# Flat Charges

Typically, flat charges do not encourage water conservation, so the reduction in flat-rate charges since 2006 is a positive sign.

Year	% of households that are charged a flat rate
2008	18.0%
2010	15.2%
2012	11.5%
2014	8.6%
2016	8.4%
2018	8.1%
2020	5.9%
2022	6.0%



# Questions

Link to survey:

[http://metro council.org/Wastewater-Water/Funding-Finance/Rates-Charges/Competitiveness-\(1\).aspx](http://metro council.org/Wastewater-Water/Funding-Finance/Rates-Charges/Competitiveness-(1).aspx)

