



METROPOLITAN
C O U N C I L

Business Item: 2023-157 :

Adoption of Metropolitan Council
Environmental Services (MCES)
Wastewater Rates and Charges

Ned Smith, Director of Pretreatment and Finance

Environment Committee: July 11, 2023



Overview

- 2024 Rate Setting Schedule
- Customer Meetings (one webinar and one live)
- 2024 Executive Summary
- Proposed 2024 Sources & Uses
- Debt Service
- Nationwide Comparative Rate Information
- Sewer Availability Charge (SAC)
- Industrial Rates
- Questions

2024 Rate Setting Schedule

May 4 and May 9	Industrial Workshops
May 9	Environment Committee Direction for Public Meetings
May 25 and June 8	Municipal Customer Forums
July 11	Environment Committee Review of Customer Input and 2024 Rate Adoption Recommendation
July 26	Council Rate Adoption
August 23	Council Preliminary Operating Budget Adoption

Customer Webinars

- Two Customer Budget Webinars were held (May 25 and June 8)
- Preliminary Municipal Wastewater Charges (MWCs) sent mid-May to each of our 111 communities

2023 MCES Customer Budget & Annual Update – Meet the presenters



Peter Lindstrom



Ned Smith



Kyle Colvin



Isaac Raser



Tina Nelson



Anna Bessel



Ward Brown



Judy Sventek



Jen Kostrzewski



Jami Haider



Strong attendance!
57 attendees from 45 communities



2024 Executive Summary

Proposed Sources vs. 2023

- Wastewater charge:6.8%
- Total Sources.....3.7%

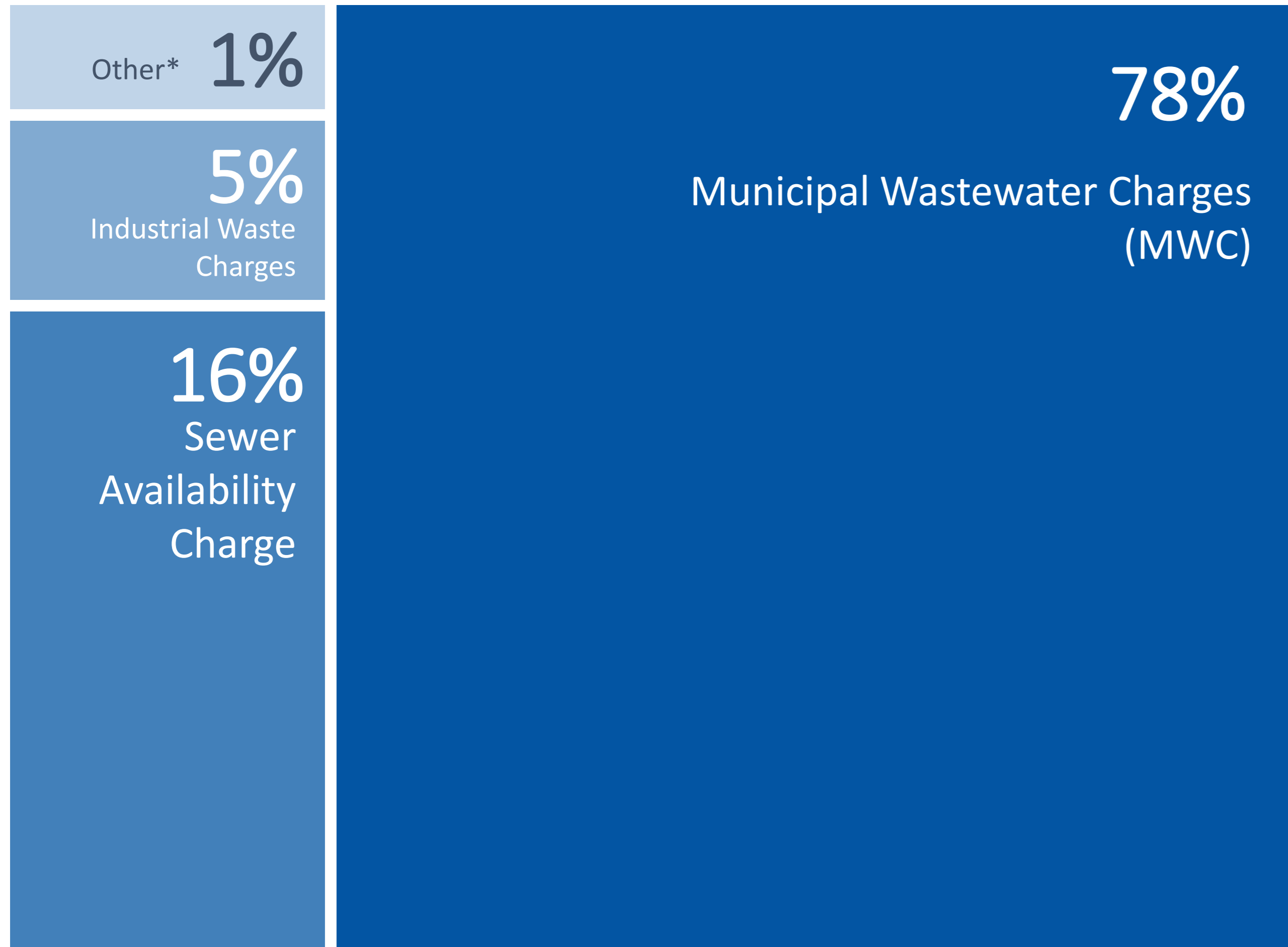
Proposed Uses vs. 2023

- Total Uses.....3.2%


Proposed Rates

- Sewer Availability Charge:No Increase
- Industrial Strength Charge:6.2%
- Industrial Permit Fees:~6.8% on average

2024 Proposed Revenue Sources - \$361M

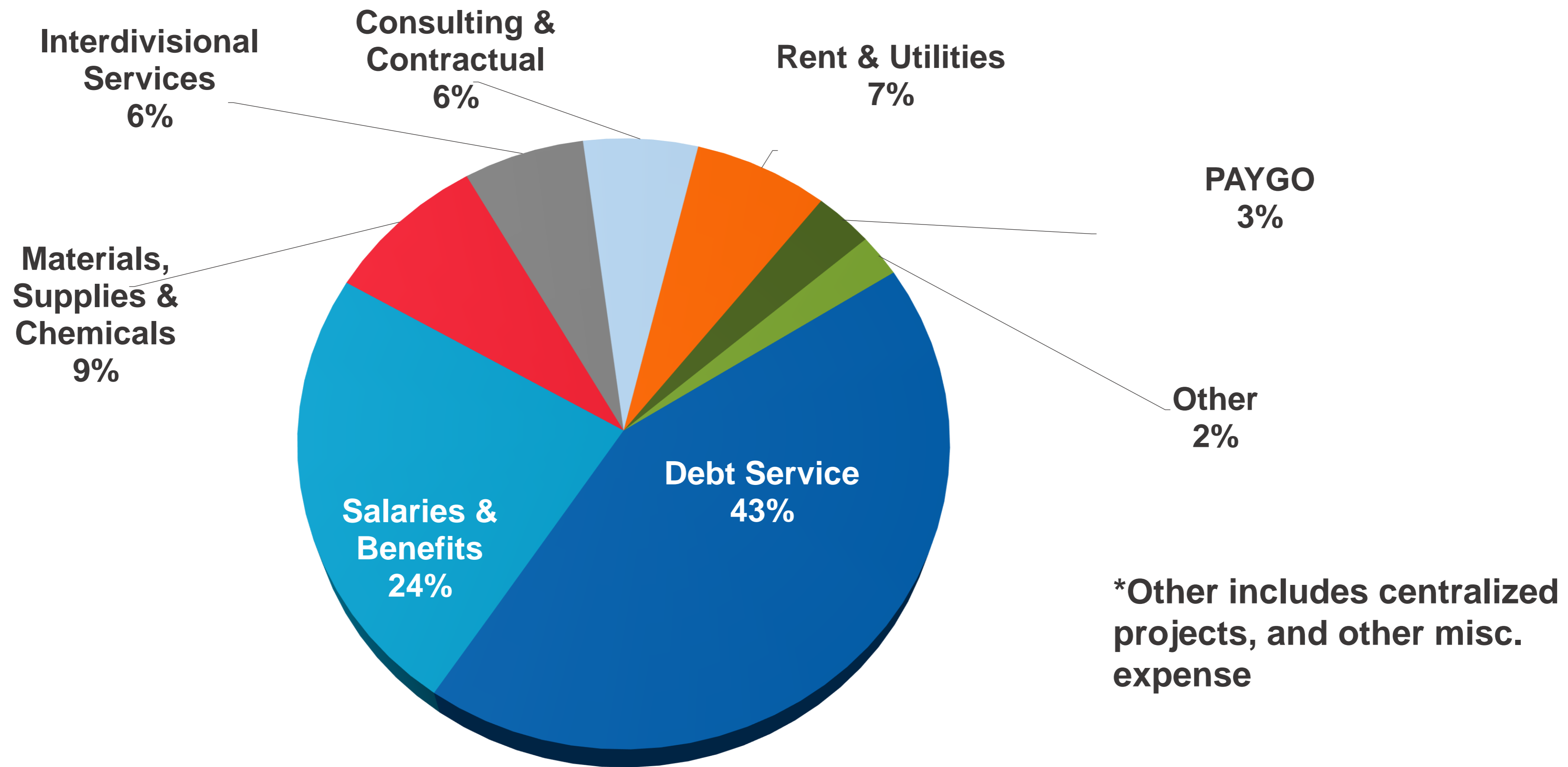


- Fee for service
- Not a tax
- No federal, state, or Council funds
- No MCES funds for other Council operations



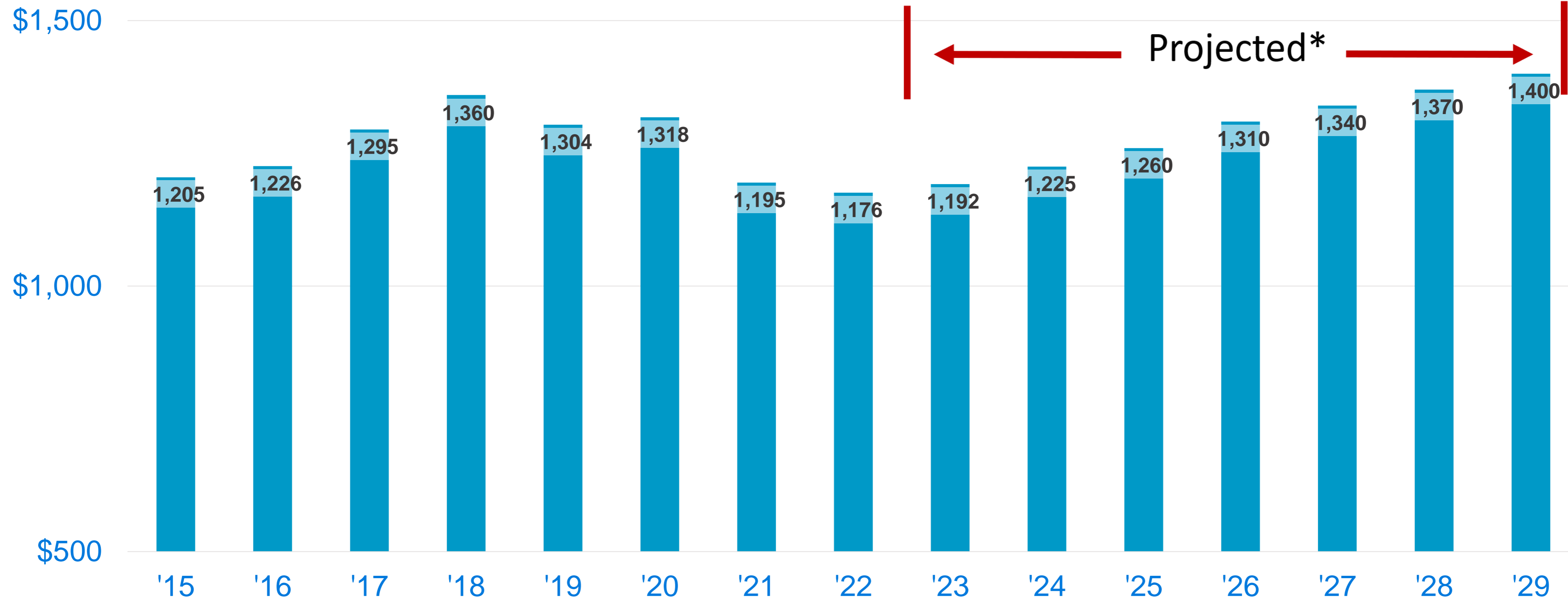
*Other includes \$.4M use of Reserves

Proposed Uses by Category - \$361M



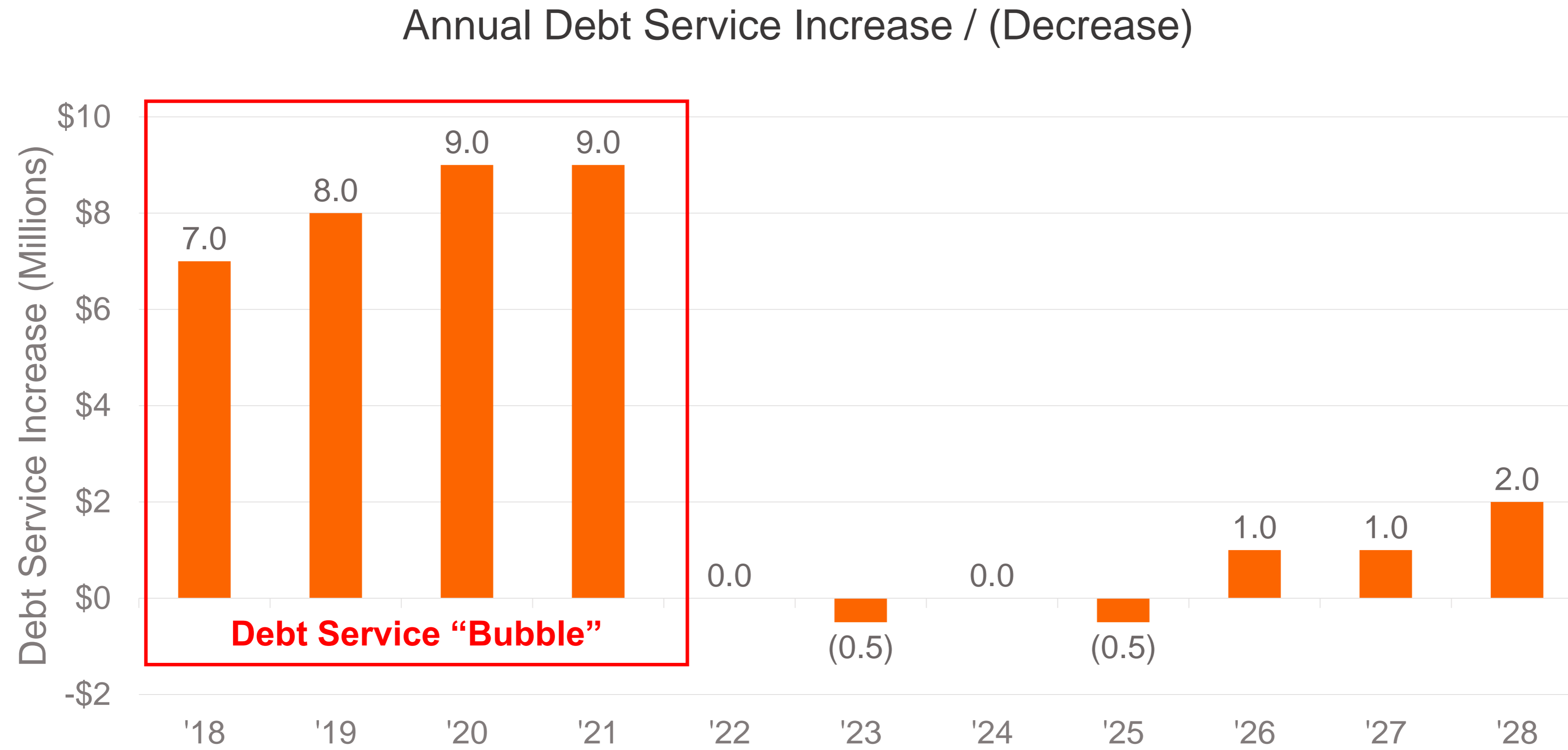
Wastewater Outstanding Debt

(\$ in millions)



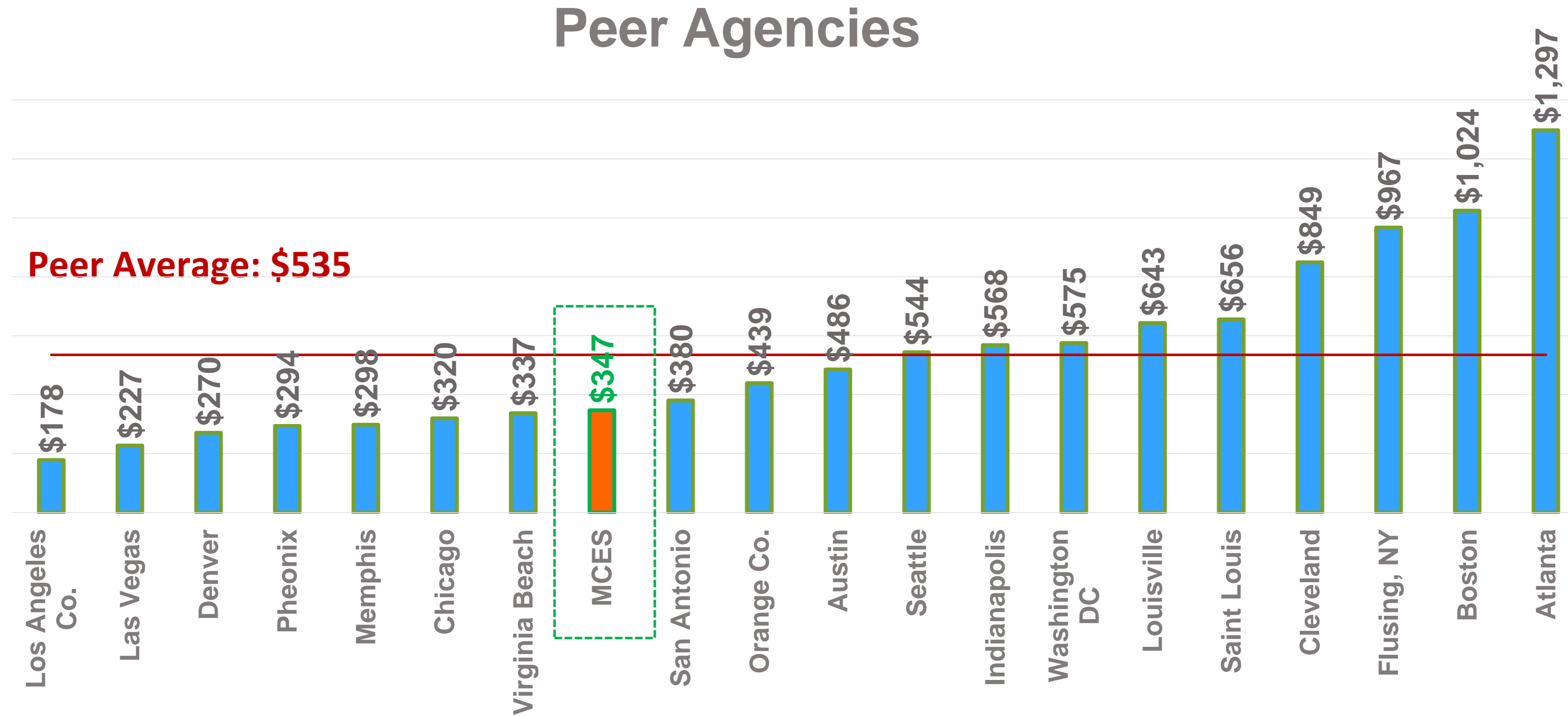
* Assumes 75% of ACP is spent.
May 2023C Bond Sale – AAA, \$90M, 20 year fixed, 3.4%

Projected Debt Service Change



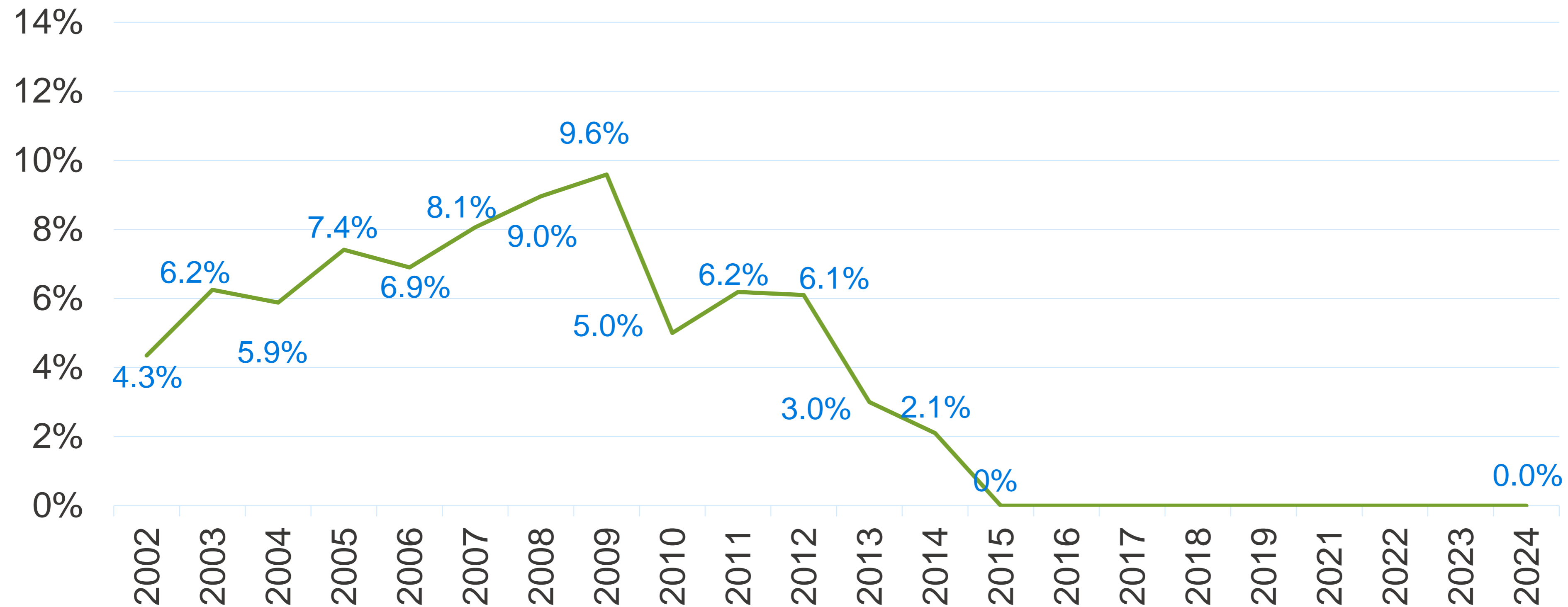
Comparative Information

- Average retail sewer rates per household



* 2020 NACWA survey of 2019 rates

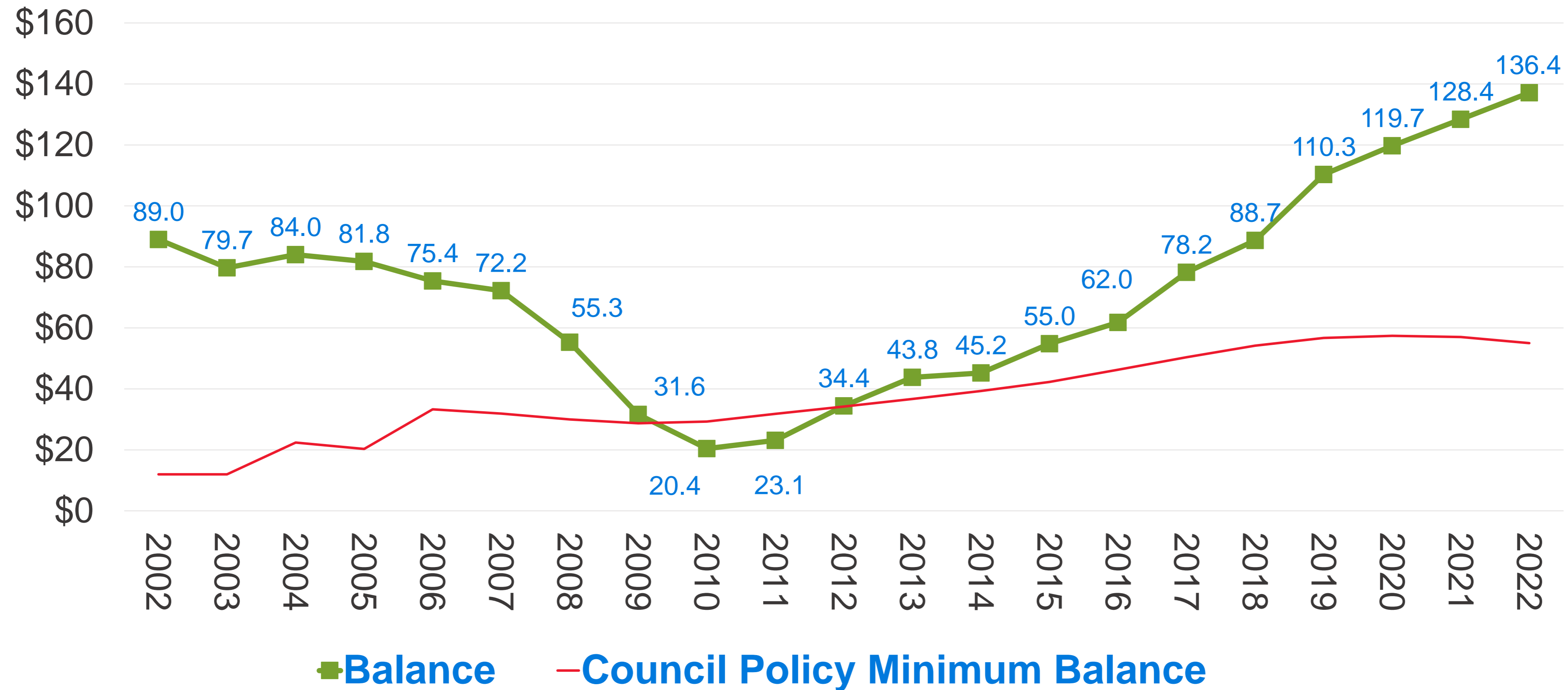
Historical SAC Rate Increases (%)



SAC Units: Development Continues



SAC Reserve Balance



Strong reserve balance will help MCES manage future SAC rates

Webinar Feedback

- Strong attendance from 45 communities (57 non-council attendees)
- Engaged audience with helpful questions about:
 - Anticipated rate increases in the next ten years
 - Impact of high inflation
 - How capital expenses are funded
 - Equity lens used for Private I/I initiatives
 - Cause of declining flows
 - MCES collection system staff contact information
 - Emergency water main breaks and overflows

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 on page one of the business item to be effective January 1, 2024.

Questions

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