



2025 Sewer User Rate Review

November 7, 2024



Presentation Overview

Background on sewer user rates

Factors affecting sewer user rates for 2025

Recommended User Rates for 2025

User rate comparison

Questions



Background on Sewer User Rates

The City has annually completed a user rate review since 2008. In 2011 a long-range finance plan was prepared to estimate future user rate increases necessary to fund the annual debt service payments associated with future Treatment Facility and collection system projects.

- Updated annually in conjunction with user rate update

Goals:

- Design rates that are fair and equitable for all customer classes
- Recover the full revenue requirements for the Utility
- Avoid rate spikes in any particular year



Factors Affecting 2025 Recommended User Rates

City staff desires to not increase sewer rates in 2025 to provide a buffer for increased water rates

- ✓ Also did a 0% increase in 2024

Billable flows continue decline in all residential class

- 4.59% decline in residential billable volume over past year
- 3.06% overall decrease in billable flows over past year

Operating and Maintenance costs are projected to increase 2.29% in 2025



Recommended 2025 Sewer Rates

	Current Rates Effective 1/1/2024	2025 Proposed Rates	\$ Change	% Change
<u>City (Inside) User Charges</u>				
Monthly Fixed Charge	\$6.88	\$6.88	\$0.00	0.00%
Volumetric Charge per 1,000 gallons	\$10.48	\$10.48	\$0.00	0.00%
Quarterly flat charge (unmetered users only)	\$314.39	\$314.39	\$0.00	0.00%
Surcharge Rate BOD /lb	\$1.48	\$1.48	\$0.00	0.00%
Surcharge Rate SS /lb	\$0.71	\$0.71	\$0.00	0.00%
Surcharge Rate P /lb	\$13.39	\$13.39	\$0.00	0.00%
Surcharge Rate TKN /lb	\$2.31	\$2.31	\$0.00	0.00%
<u>Extraterritorial (Outside) User Charges</u>				
Monthly Fixed Charge	\$6.88	\$6.88	\$0.00	0.00%
Volumetric Charge per 1,000 gallons	\$14.02	\$14.02	\$0.00	0.00%
Quarterly flat charge (unmetered users only)	\$420.63	\$420.63	\$0.00	0.00%
<u>Hauled Waste Charges</u>				
Septic Tank Rate per 1,000 gallons	\$97.59	\$97.59	\$0.00	0.00%
Holding Tank Rate per 1,000 gallons	\$32.22	\$32.22	\$0.00	0.00%
Chemical Toilet Waste Rate per 1,000 gallons	\$241.18	\$241.18	\$0.00	0.00%
Annual Cost for Average Residential User (48,000 gallons/year)	\$585.55	\$585.55	\$0.00	0.00%
Monthly Cost	\$48.80	\$48.80	\$0.00	



2025 Estimated Utility Cash Flow (Not including return flow)

	2025
Cash Sources	
Revenues from User Rates ⁽¹⁾	\$21,104,851
Allowance for Unknowns (ie. Timing of billing, customer loss)	(\$316,573)
Other Income ⁽²⁾	\$117,000
Investment Income on Unrestricted Cash ⁽³⁾	\$1,363,751
Other Fees ⁽⁴⁾	\$60,000
Total Cash Sources	\$22,329,029
Cash Uses	
O&M	\$8,674,498
Net Before Debt Service	\$13,654,532
Debt Service	
Total Debt Service	\$9,718,689
Capital Outlay (non reserve)	\$12,805,063
Addition to Replacement Fund	\$650,000
Net Cash Flow	(\$9,519,220)



Comparison of Sewer User Rates – (Including Return Flow User Rate)

Including Return Flow Rate

Community	Annual Cost per Single-Family Home
Waukesha, City, Current & Proposed	\$791
New Berlin, City	\$783
Muskego, City	\$671
Menomonee Falls, Village	\$638
Brookfield, City	\$492
Pewaukee, City	\$564
Mukwonago, Village	\$482
Oconomowoc, City	\$390
Racine, City	\$320

Based Upon 48,000 gallons per year for the average single-family home