



2024 Sewer User Rate Review

November 9, 2023



Presentation Overview

Background on sewer user rates

Factors affecting sewer user rates for 2024

Recommended User Rates for 2024

User rate estimates for next 5-years

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

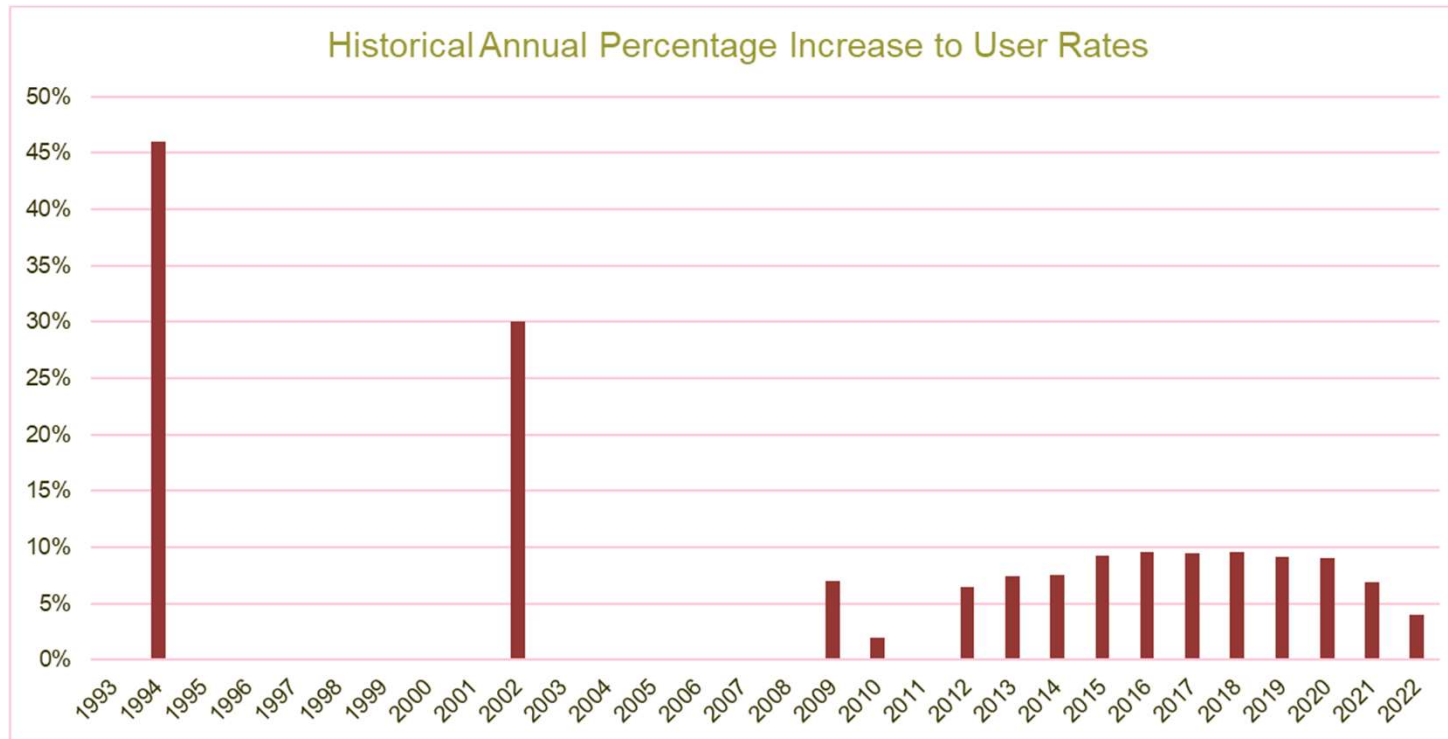
- Updated annually in conjunction with user rate update

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



History of Sewer User Rates





Factors Affecting 2024 Recommended User Rates

City staff desires to not increase sewer rates in 2024 and 2025 to provide a buffer for increased water rates

Billable flows continue slight decline in all residential class

-0.38% overall decrease in billable flows over past year

Operating and Maintenance costs are projected to decrease -0.54% in 2024



Recommended 2024 Sewer Rates

	Current Rates Effective 1/1/2023	2024 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	



2024 Estimated Utility Cash Flow (Not including return flow)

	2024
Cash Sources	
Revenues from User Rates ⁽¹⁾	\$21,334,939
Allowance for Unknowns (ie. Timing of billing, customer loss)	(\$320,024)
Other Income ⁽²⁾	\$117,000
Investment Income on Unrestricted Cash ⁽³⁾	\$1,232,687
Other Fees ⁽⁴⁾	\$60,000
Total Cash Sources	\$22,424,602
Cash Uses	
O&M	\$8,480,420
Net Before Debt Service	\$13,944,182
Debt Service	
Total Debt Service	\$9,359,592
Capital Outlay (non reserve)	\$13,261,250
Addition to Replacement Fund	\$250,000
Net Cash Flow	(\$8,926,660)



Estimated User Rate Increase for Next 5-Years (Not including return flow rate)

Year	Average Annual Payment - SF Home	Percent Rate Increase	Increase to Monthly Bill
2024	\$586	0.00%	\$0.00
2025	\$586	0.00%	\$0.00
2026	\$621	6.00%	\$2.20
2027	\$658	6.00%	\$2.33
2028	\$694	5.50%	\$2.26



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

Including Return Flow Rate	Annual Cost per Single-Family Home
<u>Community</u>	
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