



Sewer Connection Charge Update

November 21, 2019



Background on Connection Charges

What is it?: A One-Time charge for new connections to the sanitary sewer system and charged based upon the new connection's water meter size

Purpose of the charge is to recover proportionate share of capital costs for excess capacity in the sewer collection system reserved for new development

The City has had sewer connection charges as part of the sewer use ordinance (Chapter 29) since the 1980's

The charges were last formally updated in 2014 to be more in line with infrastructure costs. Updated annually since 2014 based on rate of inflation (CCI)



Connection Charge Update Methodology

Recovers capital costs associated with only collection system (City has separate impact fee for the Treatment Plant)

Calculated on a "buy-in basis", whereby new development required to buy into the value of excess capacity in the sewer collection system

Original cost of collection system assets funded by the City, brought into today's dollars and divided by total capacity of the collection system

Charges calculated for all meter sizes based upon current equivalency factors



Connection Charge Update Factors

The City has been annually increasing the fee by the annual percentage change from the Engineering News Record Construction Cost Index (CCI) – Chicago Region

The CCI increased approximately 6% for the calendar year 2018

Approximately \$16.3 million of asset additions related to the Greenmeadow Interceptor



Recommended 2020 Charge Schedule

Meter Size	Existing Sewer Connection Charge ⁽¹⁾	Proposed Sewer Connection Charge	Dollar Change
5/8	\$1,761	\$2,048	\$287
3/4	\$2,613	\$3,039	\$426
1	\$4,346	\$5,054	\$709
1 1/2	\$8,693	\$10,108	\$1,415
2	\$13,918	\$16,186	\$2,268
3	\$26,076	\$30,325	\$4,248
4	\$43,459	\$50,541	\$7,082
6	\$86,891	\$101,049	\$14,158

Notes:

(1) Existing sewer connection fee schedule taken from the City of Waukesha 2019 Sewer Connection Charge Fee Schedule.



Comparison of Fees for New Development

<u>Municipality</u>	<u>Total Fees/SF Residence</u>
Delavan, City	\$11,306
Menomonee Falls, Village	\$9,644
Hartland, Village	\$9,499
East Troy, Village	\$8,393-\$9,116
Oconomowoc, City	\$8,575
Mukwonago, Village	\$7,812
Nashotah, Village	\$6,439
Waukesha, City - Proposed	\$5,807
Waukesha, City - Existing	\$5,520
Kenosha	\$4,696
Waterford, Village	\$3,368-\$4,168
New Berlin, Village	\$3,648
Brookfield, City	\$1,043

Notes:

Total fees represent all existing impact and connection fees for all facilities charged within each municipality listed above.



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