



# Approving 2024 Water, Sanitary Sewer, Storm Water and Solid Waste Abatement Charges & Rates

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November 13, 2023



# Overview

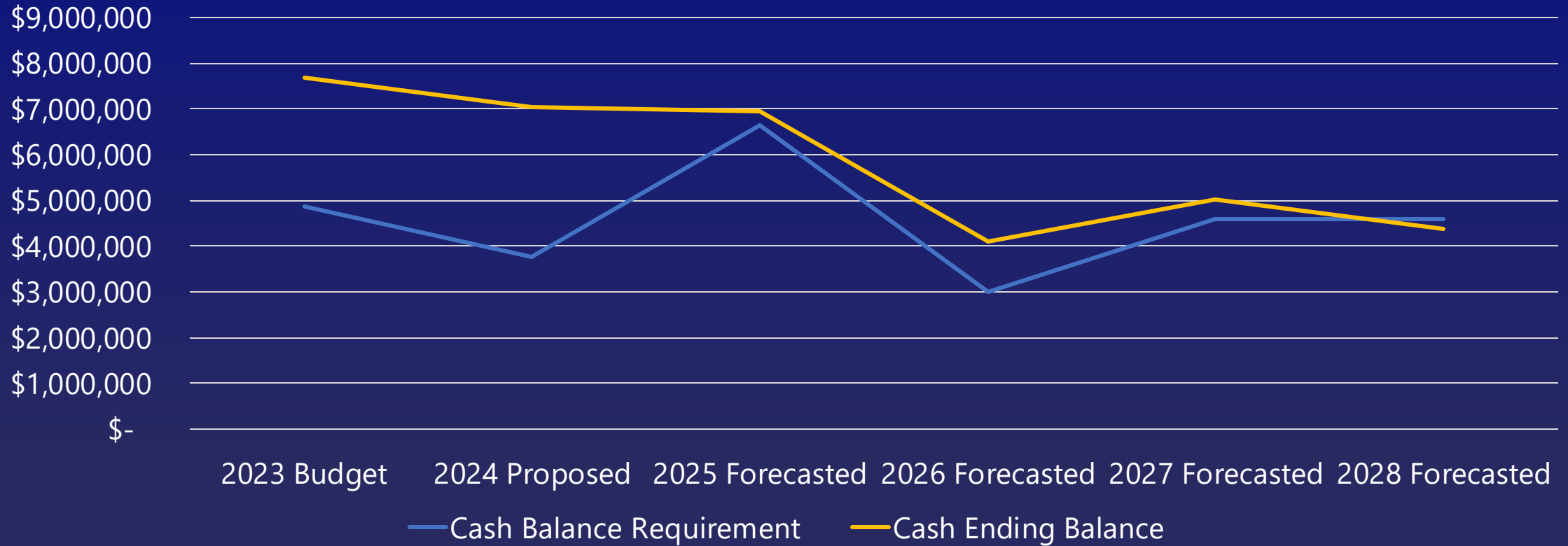
- Proposed 2024 Utility and Solid Waste Abatement Fund Rates

# Water Utility Fund

- Assumptions and Other Considerations
  - Rate increase of 3% for 2024
  - Repayment of the Community Investment Fund Interfund Loan through 2029
  - Increased investment income
  - Use of \$410,000 in American Rescue Plan Act (ARPA) funds in 2024
- Proposed Capital Projects
  - \$12,322,000 in capital projects from 2024-2028
  - No use of ARPA funds to fund these capital expenditures from 2025-2028
- Provisional Capital Projects
  - \$1,245,500 – Locke Park Water Treatment Plant (WTP) Granular Activated Carbon (GAC) Addition in 2025/26

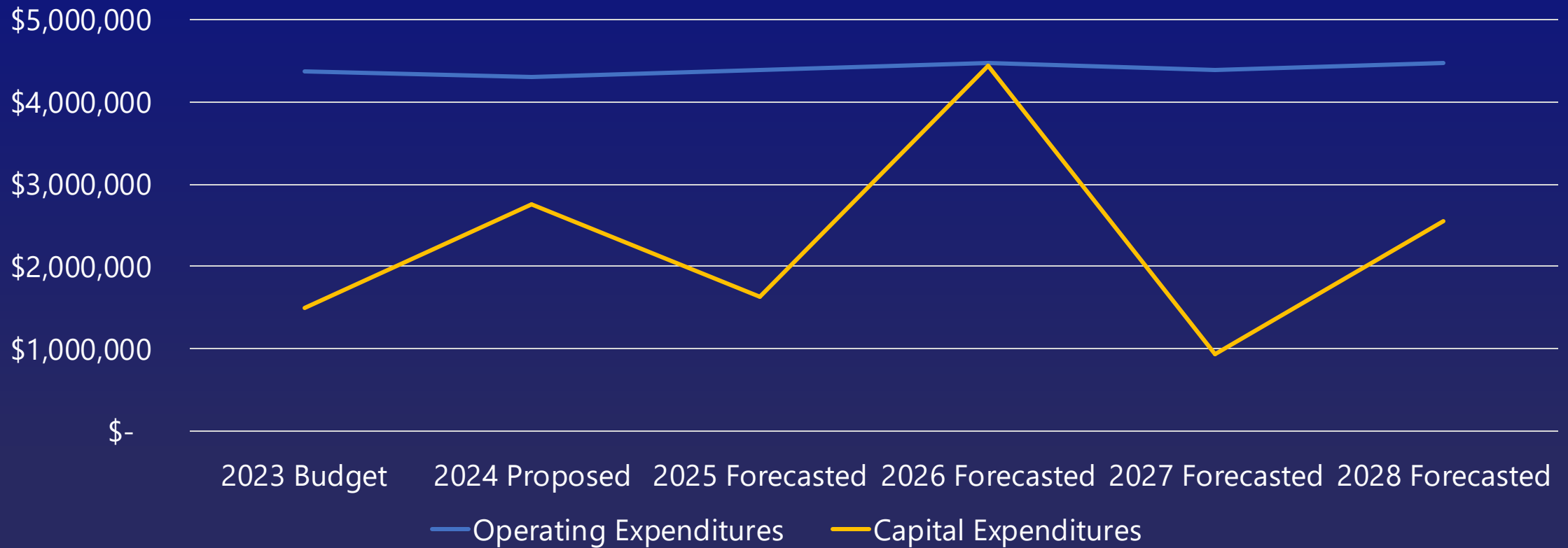
# Water Utility Fund Expenditures

## Water Utility Fund Cash Balance 2023-2028



# Water Utility Fund Expenditures

**Water Utility Fund Expenditures 2023-2028**

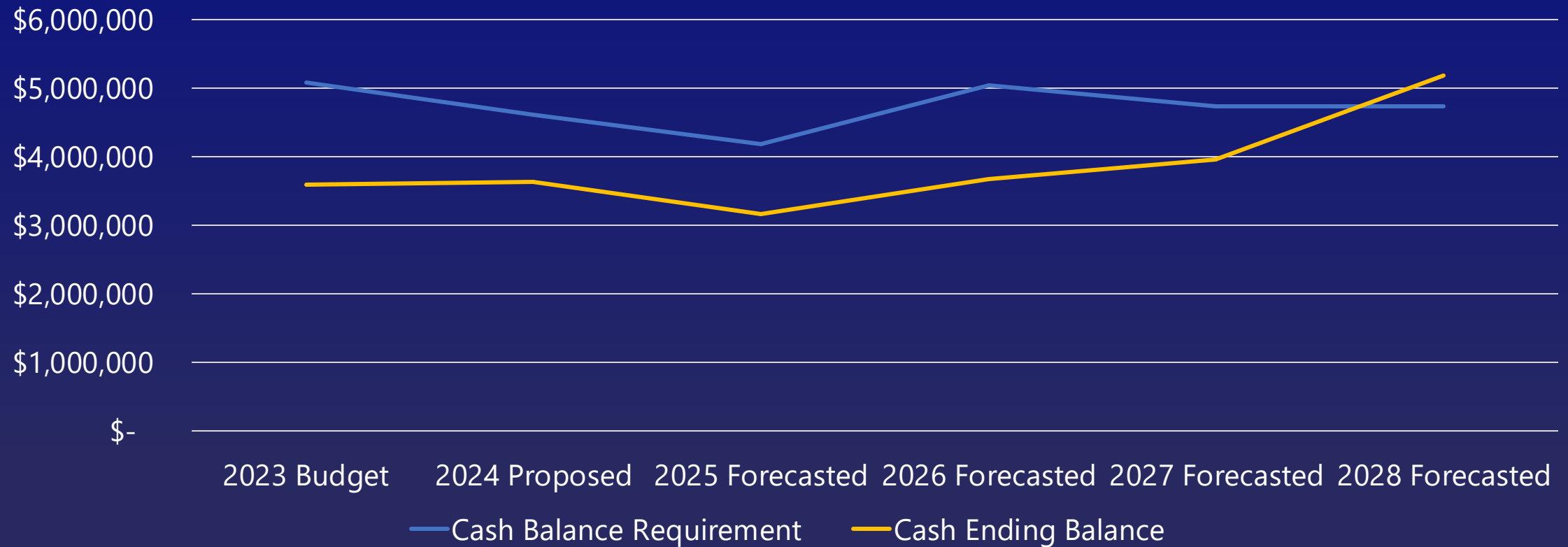


# Sanitary Sewer Utility Fund

- Assumptions and Other Considerations
  - Rate increase of 4.5% for 2024
  - Increased investment income
  - Use of \$1,100,000 in American Rescue Plan Act (ARPA) funds in 2024
  - Repayment of the Community Investment Fund Interfund Loan through 2026
  - Metropolitan Council Environmental Services (MCES) charges comprise nearly 80% of the total fund operating expenditures
    - 4.45% increase for 2024 or approximately \$232,000
- Proposed Capital Projects
  - \$6,106,000 in capital projects from 2024-2028
  - No use of ARPA funds to fund these capital expenditures from 2025-2028

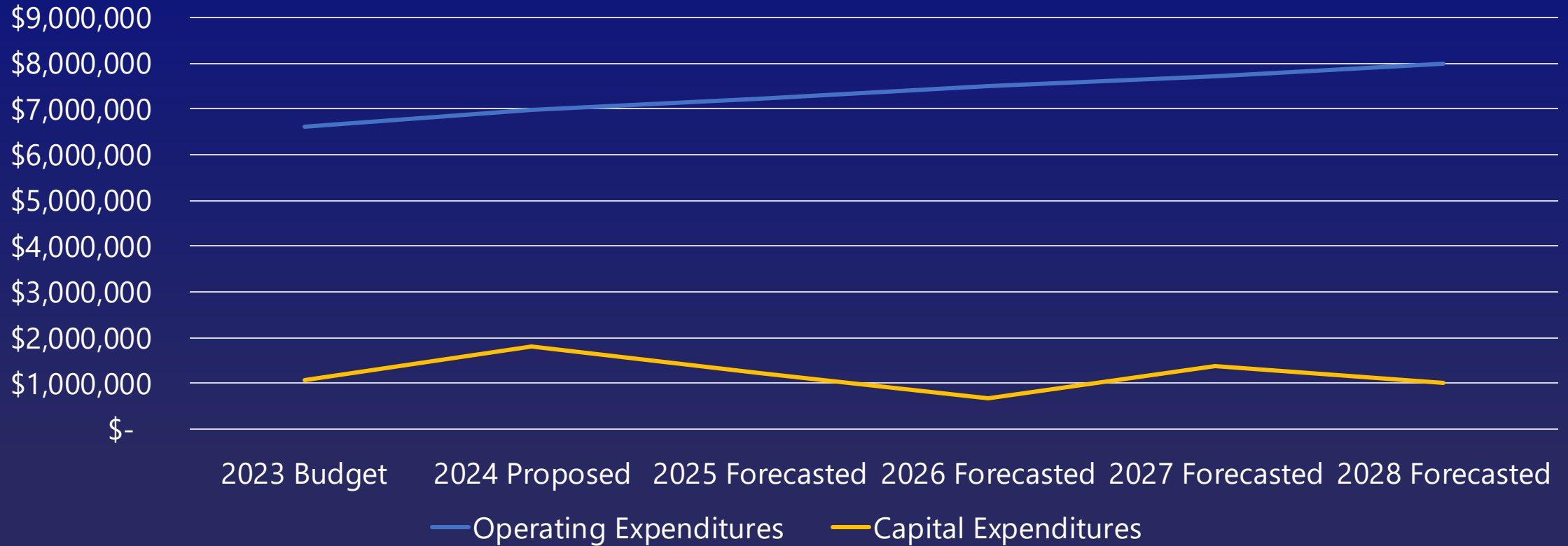
# Sanitary Sewer Utility Fund Cash Balance

## Sanitary Sewer Utility Fund Cash Balance 2023-2028



# Sanitary Sewer Utility Fund Expenditures

Sanitary Sewer Utility Fund Expenditures 2023-2028



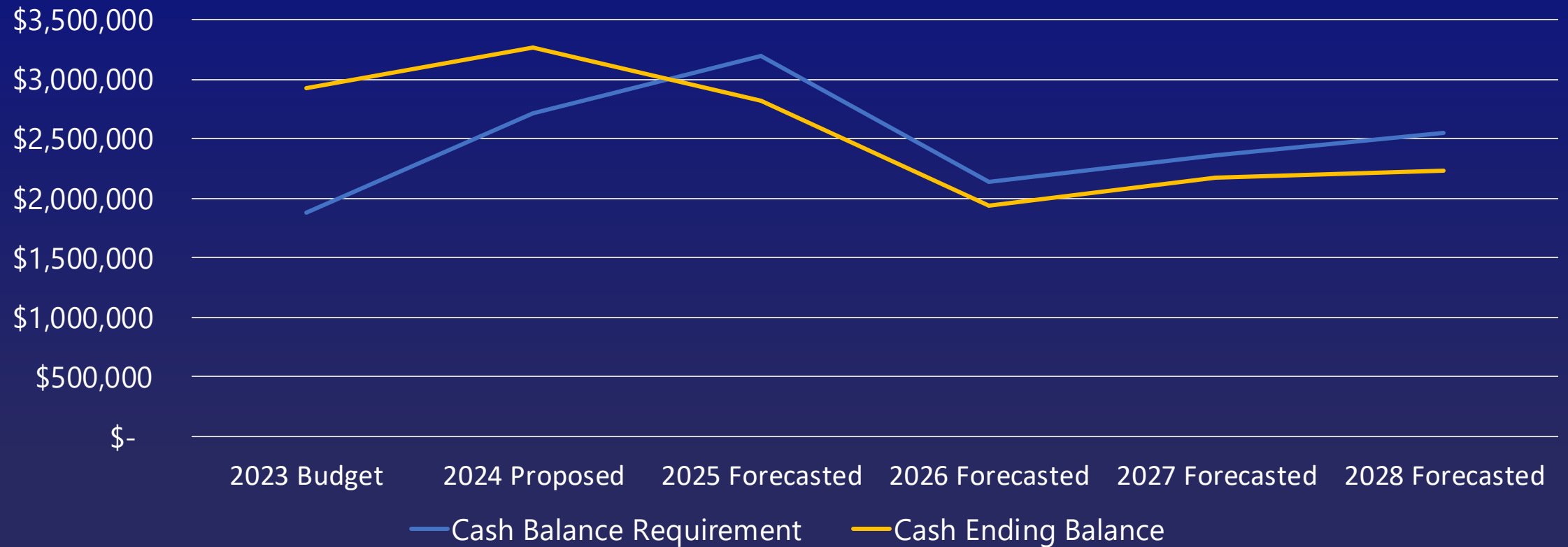


# Storm Water Utility Fund

- Assumptions and Other Considerations
  - Rate increase of 10.0% for 2024
  - Increased investment income
  - Repayment of the Community Investment Fund Interfund Loan through 2026
- Proposed Capital Projects
  - \$7,132,500 in capital projects from 2024-2028
  - No use of ARPA funds to fund these capital expenditures from 2024-2028

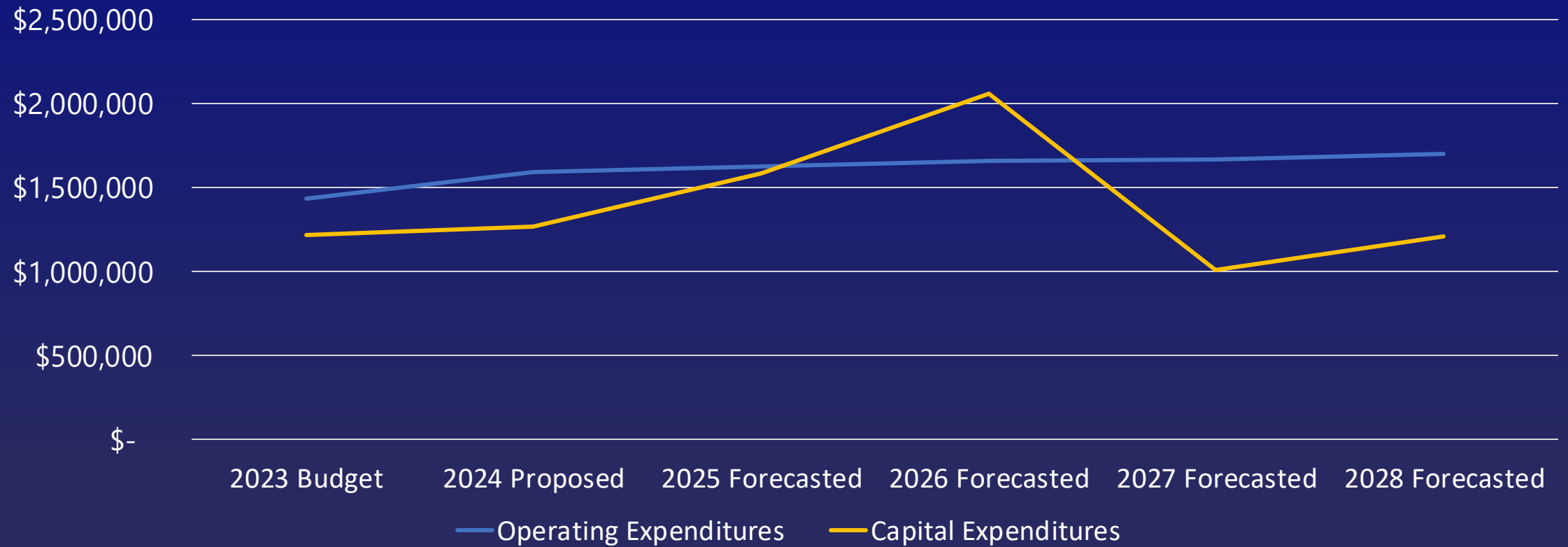
# Storm Water Utility Fund Cash Balance

Storm Water Utility Fund Cash Balance 2023-2028



# Storm Water Utility Fund Expenditures

**Storm Water Utility Fund Expenditures 2023-2028**



# Solid Waste Abatement (Recycling) Special Revenue Fund

- Proposed 2024 Rate
  - Quarterly rate increase from \$8.50 to \$10.90 or \$2.40 increase (\$0.80 monthly)
- Assumptions and Other Considerations
  - Recycling commodity values have fallen significantly by about \$30/ton
  - New contract with Republic Services goes into effect on May 1

# Sample Utility Bill

Residential (18,000 Gallons Used)				
	2023	2024	\$ Change	% Change
<i>Water Utility</i>				
Fixed Charge	\$ 22.90	\$ 23.59	\$ 0.69	3.0%
Usage	\$ 52.10	\$ 53.66	\$ 1.56	3.0%
Subtotal	\$ 75.00	\$ 77.25	\$ 2.25	3.0%
<i>Sanitary Sewer Utility</i>				
Fixed Charge	\$ 55.70	\$ 58.21	\$ 2.51	4.5%
Usage	\$ 67.00	\$ 70.00	\$ 3.00	4.5%
Subtotal	\$ 122.70	\$ 128.21	\$ 5.51	4.5%
<i>Storm Water Utility</i>				
Fixed Charge	\$ 12.20	\$ 13.38	\$ 1.18	9.7%
<i>Recycling</i>				
Fixed Charge	\$ 8.50	\$ 10.90	\$ 2.40	28.2%
<b>Total</b>	<b>\$ 218.40</b>	<b>\$ 229.74</b>	<b>\$ 11.34</b>	<b>5.2%</b>



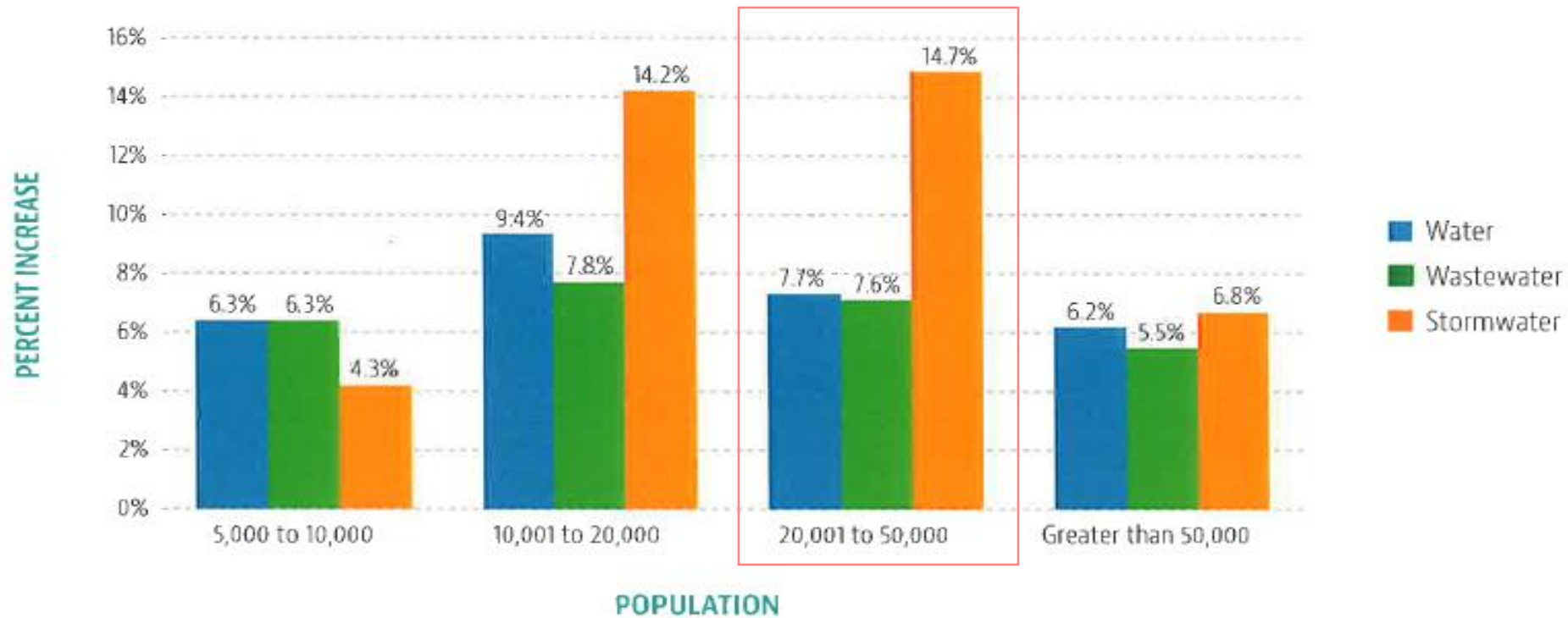
# Utility Rate Comparisons

## MINNEAPOLIS/ST. PAUL METRO AREA



# Average Reported Rate Increases

AVERAGE REPORTED 2023 RATE INCREASE FOR METRO AND NON-METRO UTILITIES



Utility Fund and User Classification	Usage Notes	2023 - Final					2024 Proposed				
		Quarterly Fixed Charge	Fixed Change (%)	Volume Rate	Volume Rate Change (%)	Per Unit	Quarterly Fixed Charge	Fixed Change (%)	Volume Rate	Volume Rate Change (%)	Per Unit
<b>Water Utility</b>											
<i>Residential Quarterly Consumption Tiers</i>											
0-8,000		\$ 22.90	3%	\$ 2.61	3.0%	1000 gallons	\$ 23.59	3.0%	\$ 2.69	3.0%	1000 gallons
8,001-16,000		\$ 22.90	3%	\$ 3.00	3.0%	1000 gallons	\$ 23.59	3.0%	\$ 3.09	3.0%	1000 gallons
16,001-24,000		\$ 22.90	3%	\$ 3.61	3.0%	1000 gallons	\$ 23.59	3.0%	\$ 3.71	3.0%	1000 gallons
over 24,000		\$ 22.90	3%	\$ 4.50	3.0%	1000 gallons	\$ 23.59	3.0%	\$ 4.63	3.0%	1000 gallons
<i>Multifamily</i>	All Usage	\$ 22.90	3%	\$ 3.01	3.0%	1000 gallons	\$ 23.59	3.0%	\$ 3.09	3.0%	1000 gallons
<i>Commercial Quarterly Consumption Tiers</i>											
0-250,000		see below	see below	\$ 2.61	3.0%	1000 gallons	see below	see below	\$ 2.69	3.0%	1000 gallons
250,001-500,000		see below	see below	\$ 3.09	3.0%	1000 gallons	see below	see below	\$ 3.18	3.0%	1000 gallons
500,001-1,000,000		see below	see below	\$ 3.56	3.0%	1000 gallons	see below	see below	\$ 3.66	3.0%	1000 gallons
over 1 million		see below	see below	\$ 4.08	3.0%	1000 gallons	see below	see below	\$ 4.20	3.0%	1000 gallons
Meters less than 1"		\$ 22.90	3%	see above	see above	see above	\$ 23.59	3.0%	see above	see above	see above
Meters 1" and greater		\$ 63.30	3%	see above	see above	see above	\$ 65.20	3.0%	see above	see above	see above
<i>Irrigation</i>	All Usage	\$ 22.90	3%	\$ 4.50	3.0%	1000 gallons	\$ 23.59	3.0%	\$ 4.63	3.0%	1000 gallons
<b>Sanitary Sewer Utility</b>											
Residential (includes 8,000 gallons)	Winter Quarter Water Usage	\$ 55.70	3%	\$ 6.70	3.0%	1000 gallons	\$ 58.21	4.5%	\$ 7.00	4.5%	1000 gallons
Multifamily, 3 units or less (includes 24,000 gallons)	Winter Quarter Water Usage	\$ 111.50	3%	\$ 6.70	3.0%	1000 gallons	\$ 116.52	4.5%	\$ 7.00	4.5%	1000 gallons
Multifamily, 4 units or more	Current Quarter Water Usage	\$ 25.10	3%	\$ 6.70	3.0%	1000 gallons	\$ 26.23	4.5%	\$ 7.00	4.5%	1000 gallons
Commercial/Industrial	Current Quarter Water Usage	\$ 25.10	3%	\$ 6.70	3.0%	1000 gallons	\$ 26.23	4.5%	\$ 7.00	4.5%	1000 gallons
<b>Storm Water Utility</b>											
Per Acre		\$ 37.00	10%	n/a	n/a	per acre	\$ 40.15	8.5%	n/a	n/a	per acre
Residential Equivalency Factor (REF)		\$ 12.20	10%	n/a	n/a	REF per qtr.	\$ 13.38	10%	n/a	n/a	REF per qtr.
<b>Solid Waste Abatement (i.e., Recycling)</b>											
Residential, 12 units or less		\$ 8.50	-17%	n/a	n/a	per quarter	\$ 10.90	28%	n/a	n/a	per quarter



# Staff Recommendation

- Staff recommend the approval of Resolution No. 2023-130, approving water, sanitary sewer, storm water and solid waste abatement charges and rates for the year 2024.

# Thank you

Questions?

