



UTILITY RATES

2023

PARAMETERS



- Align revenue sources with corresponding costs
- Provide transparency as to the basis of rates and rate adjustments
- Maintain a structural balanced operation
- Ensure that rates appropriately support the ability to:
 - Provide safe drinking water
 - Properly discharge sanitary sewer flows
 - Appropriate control and treatment of storm water runoff

WATER COSTS



Water Fund expenditures are comprised of two primary operating functions:



Production
\$917,483

Distribution
\$753,974



ADJUSTMENT TO DISTRIBUTION FEE



The current recommendation includes:

- Continuing the phase-in of the a quarterly fee to support distribution system costs
- Quarterly Water Distribution fee will increase by \$3.00



ADJUSTMENT IN USAGE RATES



The current recommendation includes:

- The Water usage tier rates increases will range from .08-.13 cents per 1,000 gallons in 2023
- Water consumption for 2023 is projected to be 5% lower than 2022 consumption



ADJUSTMENT'S IMPACTS



Per 1000 Gallons	2023 Rates	2022 Rates	\$ Change
Water Tier I	3.27	3.19	.08
Water Tier II	3.45	3.37	.08
Water Tier III	3.80	3.70	.10
Water Tier IV	4.35	4.24	.11
Water Tier V	5.45	5.32	.13
Irrigation	4.35	4.24	.11
Quarterly flat fee	24.25	21.25	3.00

SANITARY SEWER COSTS



Sewer Fund expenditures are comprised of two primary operating functions:



Treatment
\$830,941

Collection
\$558,057



ADJUSTMENT TO COLLECTION FEE



The current recommendation includes:

- Continuing the phase-in of the quarterly fee to support collection system costs
- Quarterly Sewer Collection fee will increase by \$2.05



ADJUSTMENT IN USAGE RATE



The current recommendation includes:

- Continue to manage the growth in usage rates to recognize the revenues provided by the phase in of the Sewer collection fee
- MCES treatment rate up 6.89%~49K
- The Sewer usage rate will increase to \$4.73 per 1,000 gallons ~ 2%



ADJUSTMENT'S IMPACTS



Recommended 2023 Sewer Rates:

	2023	2022	
Per 1000 gallons	Rates	Rates	\$ Increase
Sewer Usage rate	4.73	4.64	\$.09
Qtr. Collection system charge	19.25	17.20	\$2.05

STORMWATER RATES



- The multi-year approach to Stormwater rates which increased the quarterly single family residential charge to increase by thirty-five cents (\$.35) has been completed. The rates for classifications 1-3 will not increase in 2023.
- The rates for classifications 4-6 will be adjusted in 2023 as follows:

<i>Classification-Land Use</i>	<i>2023 Proposed quarterly rate</i>	<i>2022 quarterly rate</i>	<i>\$ Change</i>
4- Schools and institutional uses	\$47.15 per acre	\$40.15 per acre	\$ 7.00
5- R-4 Residential, churches and manufactured home parks	\$60.21 per acre	\$51.21 per acre	\$ 9.00
6- Commercial and industrial	\$75.98 per acre	\$63.98 per acre	\$ 12.00

RATE SURVEY



Cities Surveyed	Saint Anthony	Saint Anthony	Adren Hills	Roseville	Columbia Heights	Minneapolis	Spring Lake Park	Mounds View	New Brighton
	2023 Proposed								
Water Charges									
Flat fee / Min	24.25	21.25	44.69	36.30	38.29	16.25	8.87	28.00	30.64
Usage rate per gallon									
Tier 1	3.27	3.19	3.56	3.34	5.28	4.92	1.84	2.60	3.83
Tier 2	3.45	3.37	4.58	4.18	6.61		2.07	2.86	
Tier 3	3.80	3.70	8.10	5.23			2.30	3.29	
Tier 4	4.35	4.24					2.73		
Tier 5	5.45	5.32					3.03		
Tier 6	-	-					3.36		
Sewer Charges									
Flat fee / Min	19.25	17.20	62.51	43.12	29.42	18.25	67.26	41.06	42.88
Non meter sewer	NA	NA	171.99	NA	NA	NA	NA	NA	NA
Usage rate per gallon	4.73	4.64	6.44	2.70	3.18	6.70	3.67	3.27	5.36
Storm Water Charges									
Residential - SF	16.85	16.85	16.56	15.12	15.77	14.03-17.54	6.00	15.00	19.92
Residential - DUPLEX +	16.85	16.85	21.48	15.12	15.77	14.03-17.55	6.00	15.00	19.92
APARTMENT / COND	60.21	51.21	135.21	117.01	104.04	prorated	prorated	97.12	132.01
Industrial / Commercial	75.98	63.98	211.10	233.91	208.13	prorated	prorated	99.33-127.33	247.43

IMPACTS BY TIER LEVELS



The impact of the recommended rates on a residential customer at each tier level would be as follows:

Tier Level	1st -7,500	2nd -15,000	3rd -22,000	4th -30,000	5th- 37,500
Distribution (1st Qrt. 2022)	35%	46%	14%	3%	2%
2023 Proposed	120.35	181.70	245.68	313.78	390.13
2022 Actual	114.03	174.10	236.65	303.25	377.95
Quarterly Increase	6.32	7.60	9.03	10.53	12.18
Annual Increase	25.28	30.40	36.12	42.12	48.72



QUESTIONS?

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