



## 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:

Per 1000 gallons	2023 Rates	2022 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:

Classification-Land Use	2023 Proposed quarterly rate	2022 quarterly rate	\$ Change
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								
<b>Water Charges</b>									
Flat fee / Min	<b>24.25</b>	21.25	44.69	36.30	38.29	16.25	8.87	28.00	30.64
Usage rate per gallon									
Tier 1	<b>3.27</b>	3.19	3.56	3.34	5.28	4.92	1.84	2.60	3.83
Tier 2	<b>3.45</b>	3.37	4.58	4.18	6.61		2.07	2.86	
Tier 3	<b>3.80</b>	3.70	8.10	5.23			2.30	3.29	
Tier 4	<b>4.35</b>	4.24					2.73		
Tier 5	<b>5.45</b>	5.32					3.03		
Tier 6	-	-					3.36		
<b>Sewer Charges</b>	-	-							
Flat fee / Min	<b>19.25</b>	17.20	62.51	43.12	29.42	18.25	67.26	41.06	42.88
Non meter sewer	<b>NA</b>	NA	171.99	NA	NA	NA	NA	NA	NA
Usage rate per gallon	<b>4.73</b>	4.64	6.44	2.70	3.18	6.70	3.67	3.27	5.36
<b>Storm Water Charges</b>	-	-							
Residential - SF	<b>16.85</b>	16.85	16.56	15.12	15.77	14.03-17.54	6.00	15.00	19.92
Residential - DUPLEX +	<b>16.85</b>	16.85	21.48	15.12	15.77	14.03-17.55	6.00	15.00	19.92
APARTMENT / COND	<b>60.21</b>	51.21	135.21	117.01	104.04	prorated	prorated	97.12	132.01
Industrial / Commercial	<b>75.98</b>	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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