

# Service Charge Rates

**Owner Community Feedback on Service Charges  
2022 Service Charge and Septage Rates**

**October 28, 2021**

# Outline

1. Basics
2. Proposed rates
- 3. Approval**
4. Owner community feedback and next steps



# What are service charges?

- Main revenue source
- 26 billed communities
- Charges based on seven rate parameters



# What are service charges?

$$\text{Service Charge Rates} = \frac{\text{Required Service Charge Revenues Authorized in Budget}}{\text{Estimated Loads/Flows to be Treated District-Wide}}$$



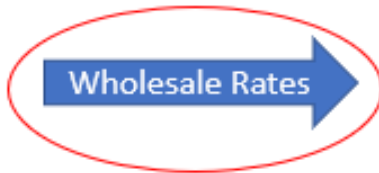
# What are service charges?

PARAMETER	QUARTERLY QUANTITY	RATE	QUARTERLY BILL
VOLUME (MG)	178.1556	919.3000	163,778.47
CBOD5 (lbs)	296,820	0.19579	58,114.45
SS (lbs)	244,058	0.31950	77,976.62
TKN (lbs)	62,641	0.50093	31,378.59
TOTAL P (lbs)	7,099	5.55236	39,416.07
Equivalent Meters	8,758.83	10.2575	89,843.73
Actual Customers	5,810.00	9.25	53,742.50
<b>Total Quarterly Bill</b>			<b>514,250.43</b>



# What are service charges?

Madison Metropolitan Sewerage District



District Owners in Service Area



(and many more!)



End Users – private homes, businesses, etc.



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# Next section: 2022 rates

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Sewerage District

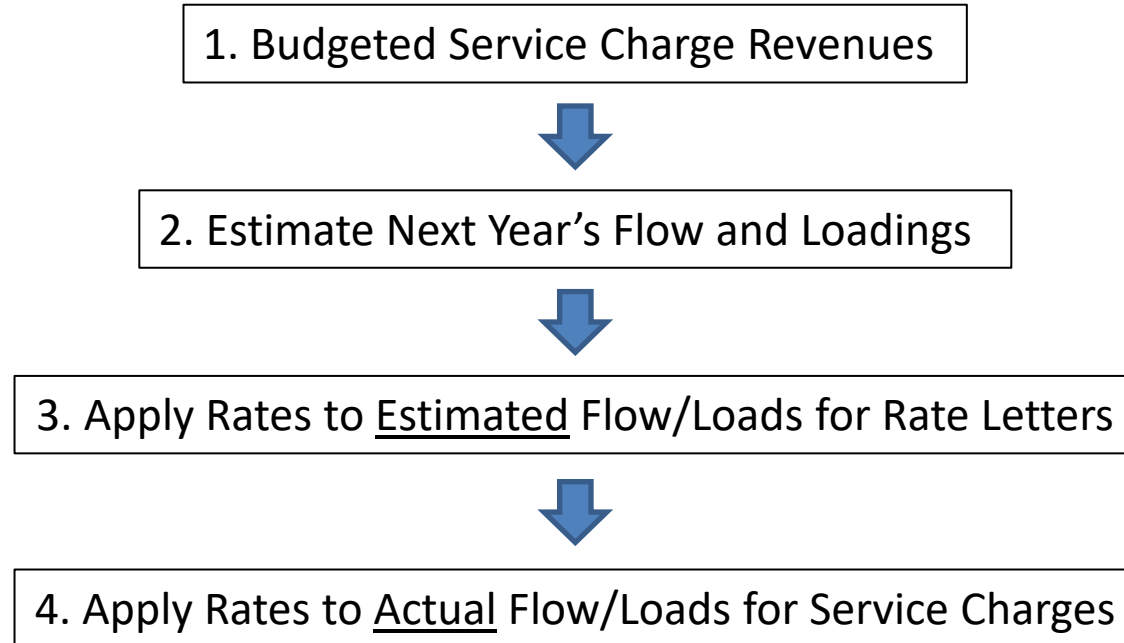
Visitor

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# Rate Setting and Billing Process





# Proposed 2022 Service Charge Rate Changes

<u>Parameter</u>	<u>Rate Change</u>
Volume	10.3%
CBOD	-10.2%
Suspended Solids	-4.0%
Nitrogen	-5.2%
Phosphorous	-0.3%
Equivalent Meters	2.1%
Actual Customers	8.4%



# Community Impacts

<u>Community</u>	<u>Change, Est. Service Charges</u>
City of Madison	10%
Village of DeForest	9%
City of Verona	7%
Village of Waunakee	7%
City of Monona	-9%



# Summary

- Budget and flows/loadings impact rates
- Community impacts vary
- 2022 rates follow historic process



# Next section: septage rates

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# Septage rate setting

- Input service charge rates
- Estimate volume

$$\text{Septage Rates} = \frac{\text{"Cost" Derived from Service Charge Rates}}{\text{Estimated Volume}}$$



# Septage Rate Changes

<u>Type of Hauled Waste</u>	<u>Change</u>
Septic Tank Wastes	-0.04%
Holding Tank Wastes	-2.70%
Grease Trap Wastes	-37.84%
Settling Basin Wastes	-28.38%
Portable Toilet Wastes	-6.60%
Administrative Fee	2.61%



# Request for resolution approval

Approve resolution #2021-10-28-R8, to approve the 2022 service charge and septage rates



# Next section: Owner community feedback

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# Owner community feedback

- We've heard –
  - Tell us earlier
  - Charge what you said
- How to assess variation?



# Actual vs Projected Service Charges

## District-Wide Difference

2017	0.73%
2018	3.32%
2019	0.09%
2020	-4.32%
<b>Total</b>	<b>-0.23%</b>



# Actual vs Projected Service Charges

<b>Owner Community</b>	<b>2017 Percent Difference</b>	<b>2018 Percent Difference</b>	<b>2019 Percent Difference</b>	<b>2020 Percent Difference</b>
City of Madison	-0.72%	5.06%	-2.11%	-7.01%

<b>Owner Community</b>	<b>2017 Percent Difference</b>	<b>2018 Percent Difference</b>	<b>2019 Percent Difference</b>	<b>2020 Percent Difference</b>
Village of Waunakee	4.91%	3.90%	7.89%	4.65%



# How can we address these challenges?

- 2022 goal:
  - Introduce issue
  - Make a plan
  - Engage Commission & stakeholders
  - Do first steps
- November: study session about plan



# Summary

- Communities challenged by variation in charges, and timing of rate release
- District data validates concern
- More to come next month



# Questions?

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