

**Study Session:**  
**Plan for Evaluating and Improving the District's  
Service Charges Methodology**

**Commission Meeting  
11/24/2021**

# Outline

1. Inventory of service charge improvement opportunities
2. Project plan
3. Proposed billing change

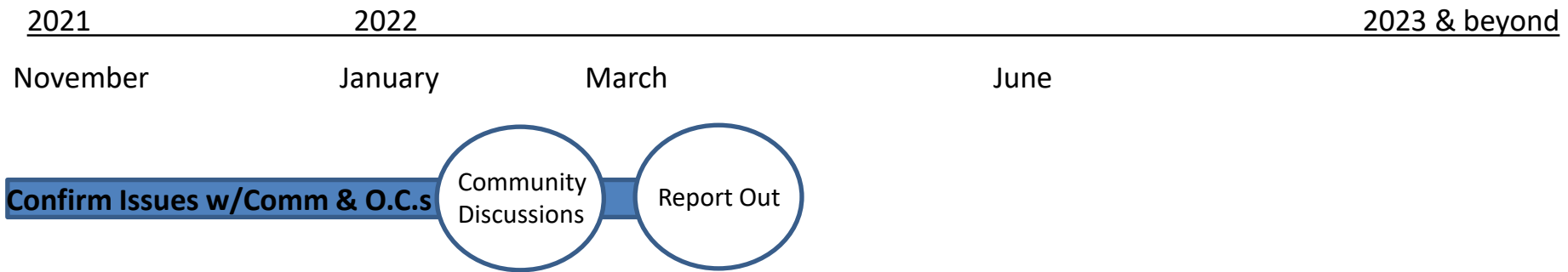


# Service Charge Improvement Opportunities

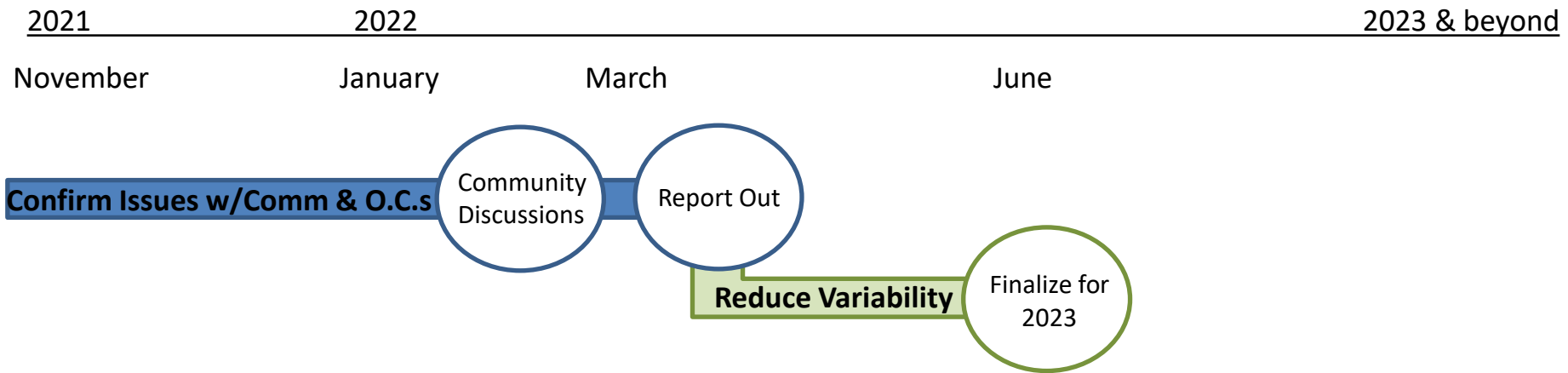
- Reduce variability between projected service charges and actual service charges collected.
- Rate structure considerations:
  - Increase confidence in the fairness of allocation of service charges among communities.
  - Inform communities of their service charges earlier in the annual budget process).
  - Increase District workforce safety.
  - Increase efficiencies/reduce staff time to administer the program
  - Consider relationship between service charge rates and septage rates
- Additional considerations and/or separate projects:
  - Inflow and infiltration reduction program.
  - Industrial sources program.



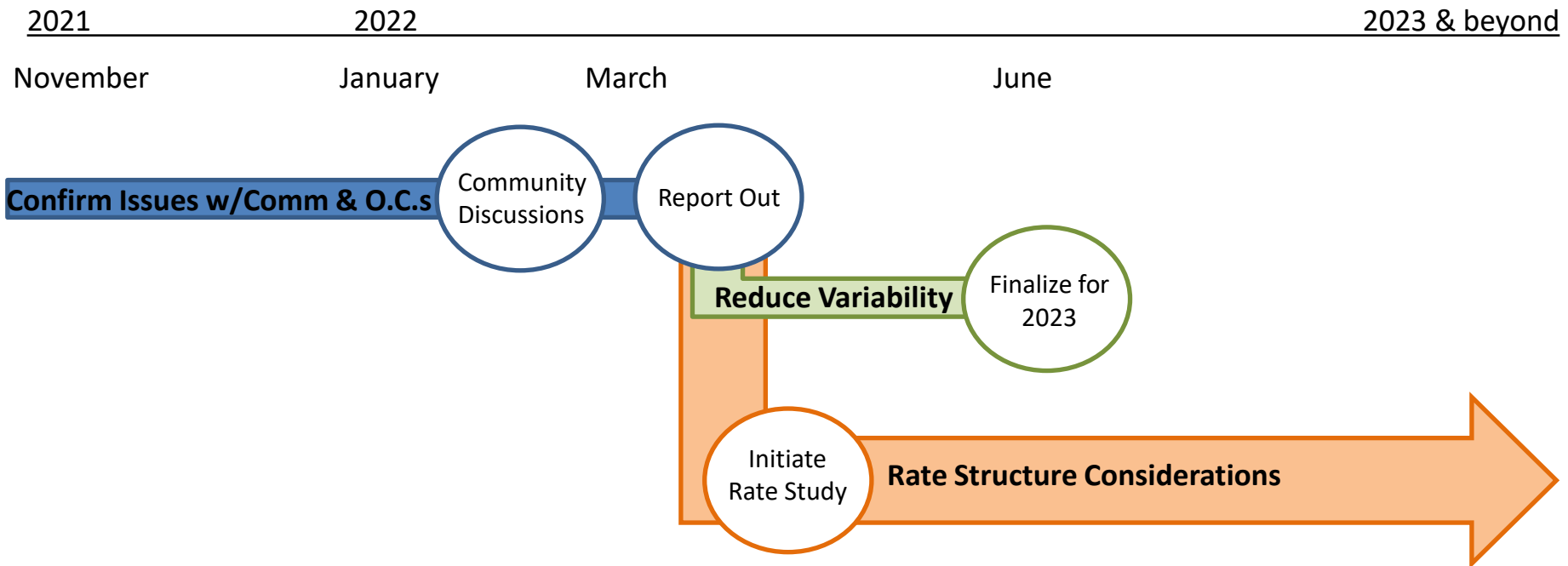
# Project plan, including owner community outreach



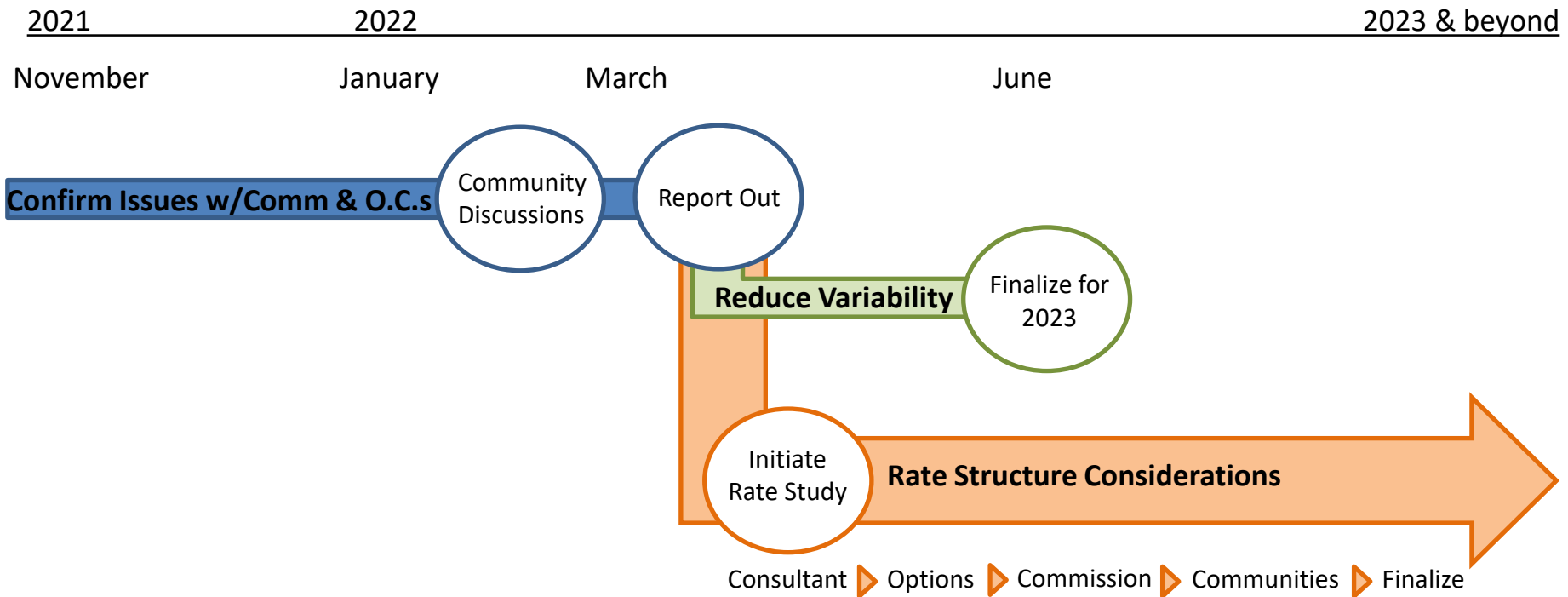
# Project plan, including owner community outreach



# Project plan, including owner community outreach



# Project plan, including owner community outreach



**Next section:**

**Historic flows/loadings proposal to address  
variability issue**

Madison Metropolitan Sewerage District

Madison Metropolitan Sewerage District



# Potential 2023 change – historic flows/loadings

Service charge goal:

Fairly allocate largely fixed costs across 26 Owner Communities



# Potential 2023 change – historic flows/loadings

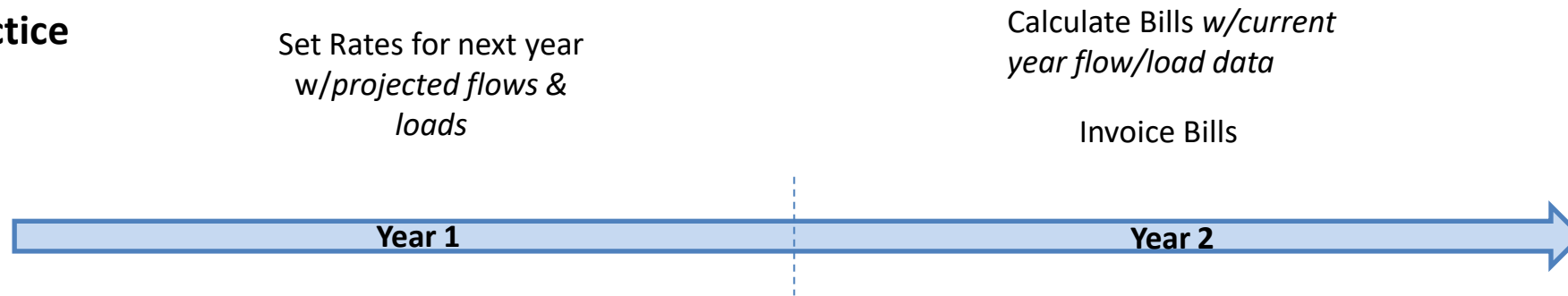
## Potential change:

Use historic flow and loading data both to set rates and to calculate service charges in advance



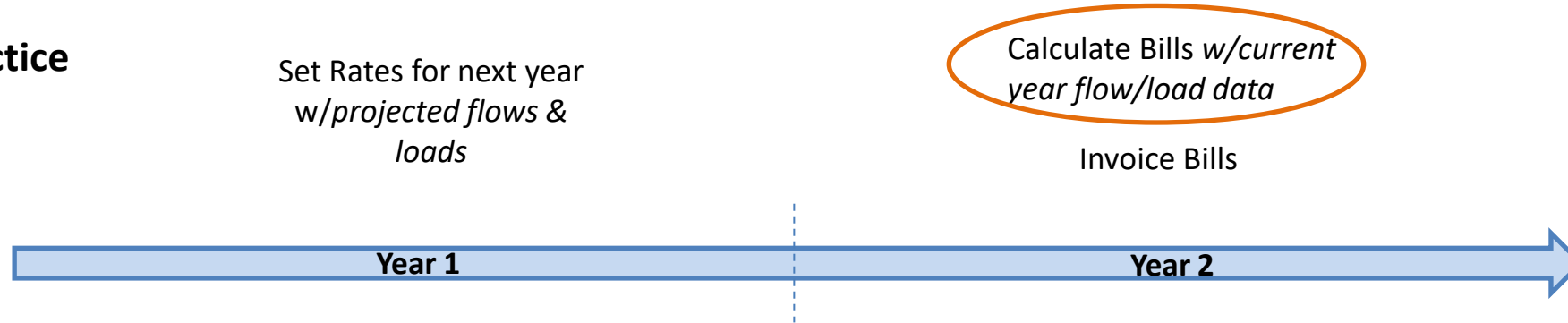
# Potential 2023 change – historic flows/loadings

## Current practice



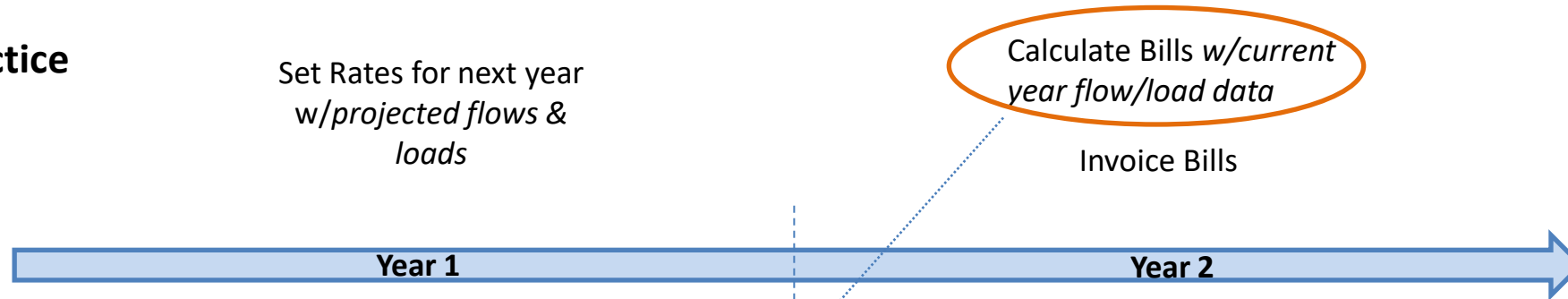
# Potential 2023 change – historic flows/loadings

## Current practice

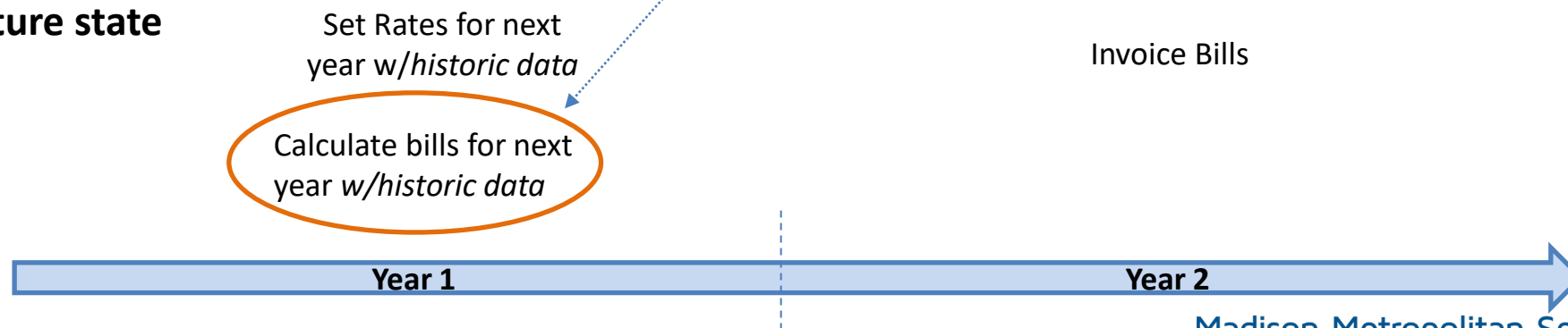


# Potential 2023 change – historic flows/loadings

## Current practice



## Potential future state



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# Potential 2023 change – historic flows/loadings

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



# Potential 2023 change – historic flows/loadings

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# Potential 2023 change – historic flows/loadings

$$\begin{array}{l} \text{Service Charge} \\ \text{Rates} \end{array} = \frac{\begin{array}{l} \text{Required Service Charge} \\ \text{Revenues Authorized in Budget} \end{array}}{\text{Actual Historic Loads/Flows to be Treated District-Wide}}$$





# Potential 2023 change – historic flows/loadings

## Benefits

- No variance

## Potential Concerns

- Lag in changes
- District/state policy



# Questions?

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Sewerage District

Visitor

Madison Metropolitan  
Sewerage District

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Madison Metropolitan Sewerage District