File #: 41895, **Version:** 2

Fiscal Note

For the average residential customer of the Sewer Utility, the rate increase is projected at approximately 5.22%, which would result in an annual increase in charges of about $14.62. Average residential customers of the Stormwater Utility can anticipate a rate increase of about 3.35%, or $2.96 more annually. Overall, the average residential customer's annual bill is projected to increase about 4.71% or $17.58.

Revenues and expenses consistent with these charges have been built into the 2016 Operating Budgets of the Sewer Utility and the Stormwater Utility, although some levy-neutral budget adjustments will need to be made. No additional appropriation is required. The 2016 budgeted revenue amounts for Sewer and Stormwater can be found in the budget book on p.225 and p.234 respectively.

Title

Setting the 2016 Rates for the City's Stormwater Utility and the Madison Sewer Utility

Body

WHEREAS, the Sewer Utility and the Stormwater Utility are entirely self sufficient and therefore require no property tax levy support; and

WHEREAS, consistent with the standards set forth in Wis. Stat. § 66.0821(4), the City Engineer sets utility rates each year; and

WHEREAS, now that the 2016 City Operating Budget has been adopted and the Madison Metropolitan Sewerage District rates for 2016 have been set, it is now possible for the associated Sewer and Stormwater rates to be formally adopted for 2016.

NOW, THEREFORE, BE IT RESOLVED that the 2016 Rate Schedules for the Sewer Utility and the Stormwater Utility are hereby adopted; and

BE IT FURTHER RESOLVED that the 2016 Operating Budgets of Sewer Utility and Stormwater Utility shall be adjusted to reflect these new rates; and

BE IT FURTHER RESOLVED, that the Sewer Utility will examine whether a "progressive" residential rate structure that will incrementally charge higher rates for greater users of the service (i.e. the charge for volume) could be implemented in 2017 and whether such a rate structure would be reasonable and not unjustly discriminatory; and,

BE IT FURTHER RESOLVED, that the Sewer Utility shall report back to the Board of Estimates the results of its examination into a progressive sanitary sewer rate structure prior to seeking to establish rates for 2017.

BE IT FINALLY RESOLVED that these rates shall go into effect on bills generated after April 1, 2016.