

Resolution approving Sanitary Sewer Utility rate increases effective January 1, 2024.

## RESOLUTION

WHEREAS, on September 12, 2019 Common Council approved Phase one of a three phase rate increase plan related to the Wastewater Treatment Plant upgrades (res 191269). Phase one rate increase was based on a draft Facility Plan and draft Rate Study; and

WHEREAS, the Sanitary Sewer Utility was directed to evaluate and adjust future Phase 2 and 3 rate increases as more detailed plans and refined cost estimates for the WWTP project became available; and

WHEREAS, a final Sanitary Sewer Facility Plan Study by Donahue and Associates was approved by City Council on 5/14/2020 (res 20-0509) and approved by the WDNR on 9/29/2020; and

WHEREAS, Trilogy Consulting LLC updated the Sanitary Sewer Utility Rate Study in October of 2020 based on the proposed final draft of the facility plan estimates, updated operating cost estimates, and use of the "Utility Basis" method which was approved by the City Council on 11/12/2020 (res 20-1493); and

WHEREAS, after the adoption of the sewer rates for 2020, the final facility plan for the WWTP upgrades came in at \$68 Million as compared to the original \$54.7 million included in the 2020 Rate Study; and

WHEREAS, since 2020 the Utility has had increased costs for parts and supplies required for ongoing system and plant operations and maintenance, additional staff needed as part of the WWTP upgrade, and an increase in preventative inspection and repair of aging infrastructure; and

WHEREAS, a rate increase is needed to cover future debt service as well as increased operation and maintenance expenses; and

WHEREAS, the Rate Study provides an analysis of rate increases needed in order to meet operation and maintenance, replacement, and debt service requirements, and to provide reasonable rates of return to the Utility and City from in-City customers, wholesale customers with contracts, and wholesale customers without contracts; and

WHEREAS, the Rate Study further evaluates the rate increases needed in order meet the Clean Water Fund (CWF) loan debt/expense/income ratios; and

WHEREAS, the Rate Study proposes a rate increase of \$21.20 per quarter (approximately \$5.30 per month) in 2024 for the average residential customer using 11,220 gallons or 1,500 cubic feet of water per quarter; and

WHEREAS, the Rate Study proposes future inflationary increases of 3.0 percent per year beginning in 2025 that will be reviewed annually to ensure these rates will maintain adequate debt coverage and reserve levels; and

WHEREAS, the high strength waste and wholesale customers have been informed of a possible rate increase and have adequate time to prepare and budget.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of La Crosse that it hereby accepts and approves the proposed sanitary sewer rate increases for in-City customers included in the "Sanitary Sewer Utility Rate Study Update Using a Utility-Basis Revenue Requirement Report Prepared by Trilogy consulting LLC dated October 2023".

BE IT FURTHER RESOLVED that the Common Council accepts and approves the proposed sanitary sewer rate increases for wholesale customers with current contracts included in the Rate Study.

BE IT FURTHER RESOLVED, that the Common Council approves charging wholesale customers without a current wastewater treatment contract a rate of return that is two percent higher than the rate of return charged to wholesale customers with a current wastewater treatment contract;

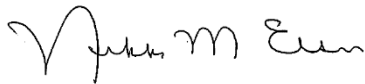
BE IT FURTHER RESOLVED, that the amended sewer rates to be charged to customers beginning on January 1, 2024,

BE IT FURTHER RESOLVED, that the Sanitary Sewer Utility is authorized to implement such charges effective starting January 1, 2024.

BE IT FURTHER RESOLVED, that the Board of Public Works, Director of Engineering & Public Works, and Utilities Finance & Compliance Manager are authorized to take any and all steps necessary to effectuate this resolution.

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*I, Nikki M. Elsen, certify that this resolution was duly and officially adopted by the Common Council of the City of La Crosse on December 14, 2023.*



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*Nikki M. Elsen, WCMC, City Clerk  
City of La Crosse, Wisconsin*