

Resolution approving Sanitary Sewer Utility rate increases effective January 1, 2022 and January 1, 2023.

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 19-1269). 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 final facility plan, updated cost estimates, and use of the "Utility Basis" method; and

WHEREAS, a rate increase is needed to cover future debt service of proposed WWTP facility improvements; and

WHEREAS, a concerted effort was made to structure rates to delay the first increase as a concession to the financial hardship citizens and business' in the region maybe experiencing due to COVID-19 impacts; 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 rate increases of \$1.90/CCF per month in 2022 and \$1.25/CCF per month in 2023 for the average retail residential customer using 44,880 gallons or 6,000 cubic feet of water per year; 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 residential in-City customers included in the "Sanitary Sewer Utility Rate

Study Update Using a Utility-Basis Revenue Requirement DRAFT report Prepared by Trilog consulting LLC dated October 2020”.

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.

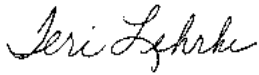
BE IT FURTHER RESOLVED that the Common Council approves charging wholesale customers without a current wastewater treatment contract a rate of return that is two percent higher than the rate of return charged to wholesale customers with a current wastewater treatment contract;

BE IT FURTHER RESOLVED that the Phase two sewer rates to be charged to customers beginning on January 1, 2022, and the Phase three sewer rates to be charged to customers beginning on January 1, 2023 are as set forth in Resolution 20-1495;

BE IT RESOLVED that the Sanitary Sewer Utility is authorized to implement such charges effective starting January 1, 2022 and January 1, 2023.

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

I, Teri Lehrke, certify that this resolution was duly and officially adopted by the Common Council of the City of La Crosse on November 12, 2020.



*Teri Lehrke, City Clerk
City of La Crosse*