



CITY OF LA CROSSE UTILITIES

WATER - SEWER - STORM

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MEMORANDUM

To: Board of Public Works
From: Tina Erickson, Utilities Finance & Compliance Manager
Jared Greeno, Superintendent of Wastewater Utility
Date: July 1, 2024
Subject: Stormwater Utility Rates

The La Crosse Stormwater Utility (Utility) rates are established by industry standard studies and approved as determined by the founding Ordinance. Rates are set to ensure storm utilities have sufficient financial capacity to provide the critical services that contribute to the health and safety of our community. The Utility utilizes a 3rd party consultant who specializes in stormwater utility rate setting which includes standard business concepts in determining the revenue required for a stormwater utility to maintain the stormwater system. Proper stormwater management is critical to protecting community infrastructure, mitigating potential flooding, and safeguarding the quality of our region's water resources. The last rate increase was approved by the Common Council and implemented by the Utility in 2012.

To ensure the sustainability of the Utility, including its financial viability, health, and resiliency, it is recommended that a full rate review be completed. The current 5-year projection of the utility finances shows that the Utility was not created with a financial model for basic sustainability. To ensure equitable funding of the utility by rate payers, rather than by a smaller population of taxpayers, a rate study should be done to set rates as needed.

To safeguard the financial integrity of the Utility, the Utility recommends that we have a Stormwater Rate Study completed in the fall of 2024 with new rates to be effective on January 1, 2025.