



How could this assessment of storm water utility rates be reduced, administratively, more streamlined for equity. Considering assignments of costs and necessity of goals

To address administrative efficiency and equity in La Crosse's Stormwater Utility rates, several strategies can be implemented based on the 2025 rate study findings^[1]:

Administrative Streamlining

1. Simplified ERU Calculations

- Maintain residential ERUs at 1.0 per housing unit (for 1-3 unit dwellings) but introduce GIS-based automated impervious area calculations for non-residential properties to reduce manual assessments^[1].
- Implement a cap system for small commercial properties (e.g., maximum 5 ERUs for parcels under 1 acre) to prevent disproportionate burdens^[1].

2. Tiered Minimum Charges

- Replace the flat 0.40 ERU minimum with graduated tiers:
 - 0.25 ERU for parcels < 1,000 sq ft impervious
 - 0.40 ERU for 1,000-2,841 sq ft
 - Full ERU calculation above 2,841 sq ft^[1]

Cost Allocation Improvements

3. Precise Expense Tracking

- Implement activity-based cost accounting to separate stormwater-specific costs from shared services like fleet maintenance and health insurance^[1].
- Use the 2022-2024 expense analysis (Table 2) to create standardized cost pools for:
 - Street sweeping (\$479k budgeted)
 - Storm sewer televising
 - Lift station maintenance^[1]

4. Equity Measures

- Develop an **impervious area discount program** for properties implementing green infrastructure:
 - 15% credit for rain gardens
 - 25% credit for permeable pavements

- Create a means-tested assistance program for low-income residential properties^[1]

Goal Alignment

5. Priority-Based Capital Planning

- Use the capital expenditure analysis (Table 4) to focus on:
 - **Mandatory compliance projects** (MS4 permit requirements)
 - **Critical infrastructure** with >50 year service life
 - Defer non-essential BMP installations until reserve levels reach 90 days of operating costs^[1]

6. Dynamic Rate Structure

- Implement automatic annual adjustments tied to:
 - CPI inflation (capped at 3%)
 - ERU growth rate
 - Compliance cost changes from WDNR^[1]

Implementation Strategy

- Phase changes over 3 years using the financial projections in Tables 3-5:
 1. **Year 1:** Administrative reforms + 5% rate increase
 2. **Year 2:** Credit programs + 3% adjustment
 3. **Year 3:** Full cost recovery model

This approach balances regulatory compliance needs with equity considerations, using the utility's own data showing a 44% O&M increase in 2025 and \$2.2M average annual capital needs^[1]. The proposed reserve policy (targeting 250 days of operating expenses) would be funded through phased rate adjustments rather than abrupt increases^[1].



Using your analysis what would the new rate be for single family homes? What percentage increase?

To determine the new stormwater utility rate for single-family homes in La Crosse and its percentage increase, the analysis from the 2025 rate study indicates:

Proposed Rate Adjustment

- **New quarterly rate:** \$14.15 per ERU
 - Represents a **5.0% increase** from the current \$13.48/ERU rate (unchanged since 2011)
 - Annual impact: \$2.68 increase per quarter (\$10.72/year) for single-family homes^{[2] [3]}

Financial Rationale

1. Cost Recovery Needs

- 2025 O&M expenses are budgeted at \$2.98M (+44% from 2024), driven by:
 - Full inclusion of street sweeping costs (\$479k) ^[4]
 - Increased storm sewer televising and lift station maintenance
- Capital requirements average \$2.2M/year for infrastructure replacements ^[4]

2. Reserve Policy Alignment

- Targets rebuilding reserves to 250 days of operating expenses (currently 47 days) ^[5]
- Requires \$1.2M annual reserve contributions starting in 2025 ^[5]

Implementation Strategy

- Phased over 3 years to balance equity and fiscal sustainability:

Year	Adjustment	Cumulative Increase
2025	+5%	\$14.15/ERU
2026	+3%	\$14.57/ERU
2027	CPI-linked*	TBD

*Capped at 3% annual increase ^[2] ^[5]

This structure maintains La Crosse's position below comparable Wisconsin municipalities (average \$15.20/ERU) while addressing the utility's \$4.7M reserve drawdown from 2022-2024 ^[4] ^[5].

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1. Report-Stormwater-Utility-Rates.pdf

2. Report-Stormwater-Utility-Rates.pdf

3. <https://www.wismnews.com/2025/05/27/stormwater-utility-fee-could-more-than-double-in-la-crosse/>

4. <https://www.cityoflacrosse.org/your-government/departments/utilities/stormwater-management/the-stormwater-utility>

5. <https://www.cityoflacrosse.org/your-government/departments/utilities/stormwater-utility>