TRILOGY CONSULTING, LLC
MUNICIPAL & UTILITY ADVISORS

STORMWATER UTILITY RATE STUDY
May 2025

Background

The Stormwater Utility was first implemented in July of 2011 to fund the costs of the new requirements of the Wisconsin Pollutant Discharge Elimination system (WPDES) MS4 General Permit #WI-S050075-1. Along with other Wisconsin communities with a population of 10,000 or more, this permit requires La Crosse to implement programs and improvements designed to reduce stormwater pollution from any runoff leaving the City's storm sewers, roads, or other conveyances to improve water quality. As part of the permit requirements, the City developed a stormwater management plan and identified maintenance needs for the stormwater system to address improvements needed to comply with the MS4 permit. With these new requirements, the City created a Stormwater Utility to provide a more equitable and sustainable way to fund stormwater treatment. The Utility funds the stormwater program by charging user fees based on how much runoff the user generates instead of the value and tax status of the property. Revenues from user charges are managed in a Stormwater Utility fund that is separate from the City's general tax levy and is dedicated to funding stormwater management.

Stormwater management activities include:

- Construction of regional water quality and quantity control structures
- Inspection of construction sites for erosion and sediment control
- Storm Water Pollution Prevention Plan for municipal operations
- Detection and elimination of illegal discharges to the storm sewer system
- Routine pond and outfall inspection and maintenance
- Stormwater management planning
- Street sweeping
- Stormwater system mapping
- Stormwater system televising
- Public education and public involvement activities
- Inspection, maintenance, and replacement of storm sewer lines, lift stations, and catch basins
- Record keeping and annual report preparation as required for the MS4 permit

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Each property in the City is assigned a number of equivalent runoff units (ERUs), based on the amount of impervious area that contributes to storm water runoff. One ERU equals 2,841 square feet of impervious surface area. Every single-family home, duplex, and tri-plex is assigned one ERU. Non-residential properties, including condominiums, multi-family apartment buildings with four or more dwelling units, parking lots, and properties used for commercial, industrial, or governmental purposes, are assigned ERUs based on the amount impervious areas divided by 2,841 square feet. The minimum charge for all parcels having impervious area is 0.40 ERUs.

Stormwater rates were established at $13.48 per ERU per quarter in 2011. This amount was much less than was recommended by the original stormwater rate study and the rates have not increased since then. In recent years, the Utility has undertaken more capital projects to rehabilitate and replace stormwater infrastructure. In addition, in 2022, the City began reviewing expenses more closely to identify all expenses for management of stormwater quantity or quality or support the Utility that should be covered by the Stormwater Utility rather than the Sanitary Sewer Utility or other City departments.

The City hired Trilogy Consulting to prepare a review of the Utility's rates and their adequacy to ensure that the Utility is financially self-sufficient and able to cover all stormwater management costs in the future. This review included an analysis of trends in ERUs, revenues, and expenses for the past several years, as well as projections of the Utility's financial needs for the next five years.

Current Financial Status

User fees make up most of the Utility's revenues. Other revenues include late fees, interest earnings, and other miscellaneous revenues.

Over the last several years, the Utility has experienced modest growth in the number of ERUs and revenues. Between 2021 and 2024, the number of ERUs increased by about 1,400 ERUs, or about 3.0 percent. Revenues have increased slightly with the increase in ERUs, generating a little over $2.3 million per year from user charges. It should be noted that the revenues shown in Table 1 are the billed revenues based on the number of ERUs each year, not the actual revenues received by the Utility during each calendar year as reported in the City's financial statements.

For purposes of financial planning, it was conservatively assumed that the number of ERUs and revenues from user charges would remain at the current level.

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Table 1 - ERUs and Revenues, 2021-2024

	2021	2022	2023	Estimated 2024
	(ERUs)	(ERUs)	(ERUs)	(ERUs)
Residential	13,061	12,851	12,859	12,870
Nonresidential	34,357	37,140	35,926	35,960
Total	47,418	49,991	48,785	48,830
Quarterly Charge per ERU	$13.48	$13.48	$13.48	$13.48
Calculated Annual Revenues	$2,556,777	$2,695,516	$2,630,467	$2,632,914
Credits	($283,075)	($313,212)	($301,038)	($315,000)
Net Revenues	$2,273,702	$2,382,304	$2,329,429	$2,317,914

As shown in Table 2, the Utility's operation and maintenance expenses increased between 2021 and 2024 and are budgeted to increase by another 44 percent in 2025. Prior to 2022, about $1.0 million per year of stormwater management expenses and related City administration and support services were covered by the Stormwater Utility and the remaining stormwater expenses were covered by the Sanitary Sewer Utility and other City departments. Beginning in 2022, expenses were examined more closely to appropriately charge the Utility for the full cost of stormwater management costs. For 2025, the Utility will pay for the cost of street sweeping for the first time, which accounts for more than half of the increase in budgeted O&M expenses for 2025. With the addition of street sweeping to the stormwater utility budget, the utility will be paying the full cost of stormwater management expenses in 2025 and future years.

The largest increases were in general administrative expenses and storm sewer operation and maintenance. Within these categories of expenses, specific categories with the largest increases were as follows:

General Administrative Expenses:

- Consulting services
- General management salaries and wages
- Health insurance for all utility employees
- Fleet lease and associated administrative fees
- Diggers hotline and miscellaneous expenses
- Tools and equipment
- Payment for City services

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- Social security and Medicare
- Retirement benefits

Storm Sewer Operation and Maintenance:

- Repairs of storm sewers
- Repairs of manholes
- Increased feet of storm sewers televised per year to determine condition

Lift Station Operation and Maintenance:

- Labor for maintenance of storm sewer lift stations
- Electricity for lift stations

Table 2 – Operation and Maintenance Expenses, 2021 - 2025

	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 UNAUDITED	2025 BUDGET
EXPENSES - OPERATING					
GENERAL ADMINISTRATIVE (DIVISON 6510)	$ 404,907	$ 472,740	$ 561,060	$ 1,071,756	$ 1,075,699
QUALITY MANAGEMENT (DIVISION 6512)	84,462	121,369	169,449	136,370	203,344
STORM SEWER COLLECTION (DIVISION 6524)	456,173	591,673	567,262	727,466	1,032,270
STORM LIFT STATIONS (DIVISION 6526)	70,571	76,973	68,755	68,708	122,425
CUSTOMER COLLECTION (DIVISION 6528)	25,450	28,577	35,171	47,731	46,100
LABORATORY (DIVISION 6530)	-	-	13,672	11,812	18,000
SOLIDS DISPOSAL (DIVISION 6532)	2,051	4,855	4,279	3,138	7,500
STREET SWEEPING (DIVISION 6534)					479,200
TOTAL OPERATING EXPENSES	$ 1,043,613	$ 1,296,187	$ 1,419,648	$ 2,066,981	$ 2,984,538

As operation and maintenance expenses have increased over the last few years, the amount of net cash flow available for capital outlay has decreased each year, as shown in Table 3.

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Table 3 - Net Cash Flow Available for Capital Outlay, 2021 - 2024

	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 UNAUDITED
TOTAL REVENUES / TRANSFERS IN				
REVENUES	$ 2,601,739	$ 2,369,844	$ 2,407,131	$ 2,393,270
EXPENSES / TRANSFERS OUT				
OPERATION AND MAINTENANCE EXPENSES	$ 1,043,613	$ 1,296,187	$ 1,419,648	$ 2,066,981
DEBT INTEREST EXPENSE	-	-	-	-
DEBT PRINCIPAL RETIREMENT	-	-	-	-
DEBT ISSUANCE COSTS	-	-	-	-
TOTAL EXPENSES / TRANSFERS OUT	1,043,613	1,296,187	1,419,648	2,066,981
NET AVAILABLE FOR CAPITAL OUTLAY	**$ 1,558,126**	**$ 1,073,657**	**$ 987,483**	**$ 326,289**

Capital expenses fluctuate from year to year depending on what projects the Utility completes and purchases of new vehicles or equipment. Table 4 shows expenditures for capital projects in 2021 through 2024. On average, the Utility spent $3.2 million per year on capital projects for 2021 through 2024. Most of the recent and ongoing capital expenditures are for replacement of storm sewer. However, projects also include equipment and vehicle purchases, improvements to lift stations, replacement of catch basins, and best management practices to reduce pollutants in stormwater runoff.

Through 2024, the Utility funded capital improvements with a combination of operating income, cash reserves from prior year's income, federal grants, Tax Incremental Finance funds, and other contributions. In 2022 through 2024, the Utility drew down cash reserves by $4.7 million to fund the portion of capital projects not covered by current year's revenues, grants, TIF or other contributions.

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Table 4 - Capital Expenditures and Funding, 2021-2024

	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 UNAUDITED
CAPITAL OUTLAY EXPENSES				
DEBT RETIREMENT	$ -	$ -	$ -	$ -
DEBT ISSUANCE COSTS	-	-	-	-
LOAN TO DEVELOPER	-	-	-	-
CAPITAL IMPROVEMENT PROJECTS	2,300,093	6,566,972	1,746,026	1,423,683
CAPITAL EQUIPMENT		-	-	779,359
TOTALCAPITAL OUTLAY EXPENSES	**$ 2,300,093**	**$ 6,566,972**	**$ 1,746,026**	**$ 2,203,042**
CAPITAL OUTLAY FUNDING PLAN:				
CASH FROM YEARLY NET CASH FLOW	$ 1,558,126	$ 1,073,657	$ 987,483	$ 326,289
USE OF / (CONTRIBUTION TO) CASH RESERVES	(499,593)	2,231,350	730,227	1,876,753
UTILITY NEW BORROWED FUNDS	-	-	-	-
OTHER (TIF/ASSESSMENTS/MISC)	1,016,853		28,316	-
FEDERAL GRANTS	224,707	3,261,965	-	-
TOTAL FUNDS FOR CAPITAL OUTLAY EXPENSES	**$ 2,300,093**	**$ 6,566,972**	**$ 1,746,026**	**$ 2,203,042**

Table 5 summarizes the Utility's revenues, expenses, cash flow, and year end cash reserves for 2021 through 2024. As shown, the use of cash reserves to fund much of the capital improvements has resulted in the Utility having cash reserves equal to only 47 days of operating expenses, much lower than the target level of 250 days of operating expenses. The target level is the amount needed to earn the highest rating from Moody's Investor Series on this criterion.[1] Other resources recommend that utilities maintain at least 45-90 days of cash to manage cash flow, plus other reserves as required or recommended if needed to ensure payment of debt service or fund emergency repairs or replacements.[2] The Utility doesn't have any debt service payments at this time but may need funding for emergency repairs or replacements. Based on experience with emergency repairs and replacements, City staff identified potential emergency capital reserve needs of $500,000. As part of making the Stormwater Utility financially self-sufficient and sustainable, a formal reserve policy should be developed based on the specific needs and risks experienced by the Utility.

[1] "Rating Methodology, US Municipal Utility Revenue Debt", Moody's Investors Service, October 19, 2017.

[2] "Cash Reserve Policy Guidelines", American Water Works Association, 2018.

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Table 5 - Cash Flow and Reserves, 2021-2024

QUARTERLY RATE PER ERU	$13.48 2021 ACTUAL	$13.48 2022 ACTUAL	$13.48 2023 ACTUAL	$13.48 2024 UNAUDITED
TOTAL REVENUES / TRANSFERS IN				
REVENUES	$ 2,601,739	$ 2,369,844	$ 2,407,131	$ 2,393,270
EXPENSES / TRANSFERS OUT				
OPERATION AND MAINTENANCE EXPENSES	$ 1,043,613	$ 1,296,187	$ 1,419,648	$ 2,066,981
DEBT INTEREST EXPENSE	-	-	-	-
DEBT PRINCIPAL RETIREMENT	-	-	-	-
DEBT ISSUANCE COSTS	-	-	-	-
TOTAL EXPENSES / TRANSFERS OUT	1,043,613	1,296,187	1,419,648	2,066,981
NET AVAILABLE FOR CAPITAL OUTLAY	**$ 1,558,126**	**$ 1,073,657**	**$ 987,483**	**$ 326,289**
CAPITAL OUTLAY EXPENSES				
DEBT RETIREMENT	$ -	$ -	$ -	$ -
DEBT ISSUANCE COSTS	-	-	-	-
LOAN TO DEVELOPER	-	-	-	-
CAPITAL IMPROVEMENT PROJECTS	2,300,093	6,566,972	1,746,026	1,423,683
CAPITAL EQUIPMENT		-	-	779,359
TOTALCAPITAL OUTLAY EXPENSES	**$ 2,300,093**	**$ 6,566,972**	**$ 1,746,026**	**$ 2,203,042**
CAPITAL OUTLAY FUNDING PLAN:				
CASH FROM YEARLY NET CASH FLOW	$ 1,558,126	$ 1,073,657	$ 987,483	$ 326,289
USE OF / (CONTRIBUTION TO) CASH RESERVES	(499,593)	2,231,350	730,227	1,876,753
UTILITY NEW BORROWED FUNDS	-	-	-	-
OTHER (TIF/ASSESSMENTS/MISC)	1,016,853		28,316	-
FEDERAL GRANTS	224,707	3,261,965	-	-
TAL FUNDS FOR CAPITAL OUTLAY EXPENSES	**$ 2,300,093**	**$ 6,566,972**	**$ 1,746,026**	**$ 2,203,042**
UNRESTRICTED CASH ON HAND YEAR END	**$ 4,993,792**	**$ 2,610,046**	**$ 2,336,700**	**$ 267,229**
DAYS CASH ON HAND (TARGET 250)	**1,747**	**735**	**601**	**47**

Summary of Current Financial Status

The primary source of utility revenues, user fees, were set lower than the original recommended amount and have not been increased since the Utility's inception in 2011, while the growth in the number of ERUs has been modest. Since 2011, expenses and capital outlay have increased

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significantly. The Utility has significantly increased its program of storm sewer and lift station maintenance and replacement and has experienced inflation in construction costs. In addition, the City has been reviewing operating costs in recent years to identify all stormwater management costs and administrative support costs that should be covered by the Utility instead of other City utilities or departments. Over the last three years, the Utility has drained most of its cash reserves to fund capital projects. Current rates are not sufficient to fully cover the City's stormwater management program operation, maintenance, and replacement costs.

Financial Projections

Projected operation and maintenance, debt service, and capital outlay expenses were developed for 2025 through 2030 using the following assumptions:

- Operation and maintenance expenses were projected using the 2025 budget as the starting basis and assuming average inflation of 3.0 percent per year for future years.
- Capital outlay expenses were based on the remaining unspent funds for projects bid in 2025 and prior years and the City's Capital Improvement Program for stormwater management infrastructure for 2026-2030.
- The Utility does not have any existing outstanding debt. It was assumed for planning purposes that the City will not issue General Obligation debt on behalf of the Utility. It was also assumed that the Utility would not be able to issue revenue bonds until it has a demonstrated history of setting rates that are sufficient to fully cover utility expenses and any required debt coverage and maintain adequate cash reserves. With the ongoing annual nature of the Utility's capital improvement program, it is also recommended that the Utility cash fund most or all of its capital improvements to save on interest expense. For purposes of the five-year projections, it was assumed that debt would not be issued.

Table 6 shows the projected revenues at current rates and operation and maintenance, debt service, and capital outlay expenses for 2024 through 2030. As shown, the projected expenses are significantly higher than the revenues from user charges at current rates for 2025 through 2030. Negative cash flows from operations would increase from a deficit of $647,000 in 2025 to a deficit of $1.1 million per year by 2030 with no rate increase. The Utility would not have any funds for the budgeted $16.6 million of capital improvement projects. In total, there is a projected deficit of $21.7 million between revenues at current rates and total operating and capital needs for 2025-2030. Figure 1 shows the revenues at current rates relative to past and projected expenses and capital outlay in graphical format.

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Table 6 - Projected Cash Flow and Reserves at Current Rates

RATE INCREASE/PROJECTED RATE INCREASE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
QUARTERLY RATE PER ERU	$13.48	$13.48	$13.48	$13.48	$13.48	$13.48	$13.48
	2024 UNAUDITED	**2025 BUDGET**	**2026 FORECAST**	**2027 FORECAST**	**2028 FORECAST**	**2029 FORECAST**	**2030 FORECAST**
TOTAL REVENUES / TRANSFERS IN							
REVENUES	$ 2,393,270	$ 2,337,793	$ 2,338,793	$ 2,338,793	$ 2,338,793	$ 2,338,793	2,338,793
EXPENSES / TRANSFERS OUT							
OPERATION AND MAINTENANCE EXPENSES	$ 2,066,981	$ 2,984,538	$ 3,074,074	$ 3,166,296	$ 3,261,285	$ 3,359,124	$ 3,459,898
DEBT INTEREST EXPENSE	-	-	-	-	-	-	-
DEBT PRINCIPAL RETIREMENT	-	-	-	-	-	-	-
DEBT ISSUANCE COSTS	-	-	-	-	-	-	-
TOTAL EXPENSES / TRANSFERS OUT	2,066,981	2,984,538	3,074,074	3,166,296	3,261,285	3,359,124	3,459,898
NET AVAILABLE FOR CAPITAL OUTLAY	**$ 326,289**	**$ (646,745)**	**$ (735,281)**	**$ (827,503)**	**$ (922,492)**	**$ (1,020,331)**	**$ (1,121,105)**
CAPITAL OUTLAY EXPENSES							
DEBT RETIREMENT	$ -	$ -	$ 0	$ 0	$ 0	$ 0	$ 0
DEBT ISSUANCE COSTS	-	-	-	-	-	-	-
LOAN TO DEVELOPER	-	-	-	-	-	-	
CAPITAL IMPROVEMENT PROJECTS	1,423,683	1,710,500	1,710,500	1,874,000	1,109,250	3,132,500	5,820,750
CAPITAL EQUIPMENT	779,359	150,000	150,000	443,500	-	500,000	50,000
TOTALCAPITAL OUTLAY EXPENSES	**$ 2,203,042**	**$ 1,860,500**	**$ 1,860,500**	**$ 2,317,500**	**$ 1,109,250**	**$ 3,632,500**	**$ 5,870,750**
CAPITAL OUTLAY FUNDING PLAN:							
CASH FROM YEARLY NET CASH FLOW	$ 326,289	$ (646,745)	$ (735,281)	$ (827,503)	$ (922,492)	$ (1,020,331)	$ (1,121,105)
USE OF / (CONTRIBUTION TO) CASH RESERVES	1,876,753	2,507,245	2,595,781	3,145,003	2,031,742	4,652,831	6,991,855
UTILITY NEW BORROWED FUNDS	-	-	-	-	-	-	-
OTHER (TIF/ASSESSMENTS/MISC)	-	-	-	-	-	-	
FEDERAL GRANTS	-	-	-	-	-	-	
TAL FUNDS FOR CAPITAL OUTLAY EXPENSES	**$ 2,203,042**	**$ 1,860,500**	**$ 1,860,500**	**$ 2,317,500**	**$ 1,109,250**	**$ 3,632,500**	**$ 5,870,750**
UNRESTRICTED CASH ON HAND YEAR END	**$ 267,229**	**$ (2,240,016)**	**$ (4,835,797)**	**$ (7,980,801)**	**$ (10,012,543)**	**$ (14,665,374)**	**$ (21,657,228)**
DAYS CASH ON HAND (TARGET 250)	**47**	**(274)**	**(574)**	**(920)**	**(1,121)**	**(1,594)**	**(2,285)**

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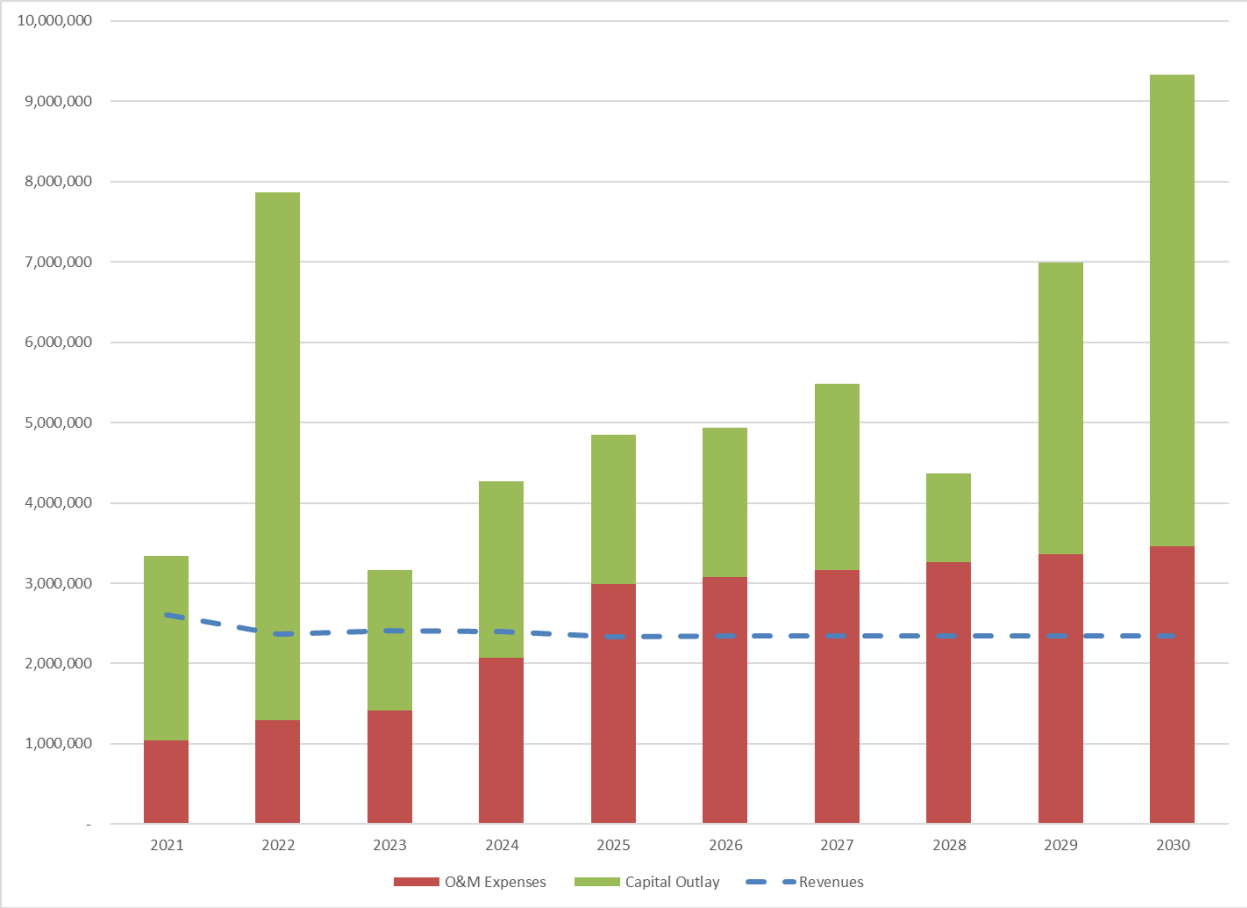
Figure 1 - Past and Projected Expenses and Revenues at Current Rates



Trilogy Consulting evaluated multiple scenarios for increasing rates over the next several years to develop sufficient, sustainable annual revenues that meet the following objectives:

1. Fully fund the Utility's operation and maintenance expenses
2. Allow the Utility to cash fund its capital improvement program
3. Develop and maintain reserves of at least 45 days operating expenses plus $500,000 for emergency capital (equal to approximately 100 days operating expenses) with a target level of 250 days operating expenses.

Based on this analysis, a rate increase of 120.0 percent is recommended for 2025, another rate i ncrease of 22.0 percent is recommended for 2026, and inflationary annual increases of 3.0 percent per year recommended for 2027 through 2029. Increases of this level are projected to

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allow the Utility to fully fund O&M expenses in 2025, begin fully funding capital improvements in 2026, and begin maintaining the minimum recommended reserve levels in 2027. The proposed rates for 2026 are projected to generate $3.2 million per year to cash fund capital improvements. The Utility should continue to evaluate its annual funding needs for capital improvements.

With $5.9 million of capital projects budgeted for 2030, it is projected that the Utility would draw down reserves to fund a portion of this project. Depending on the level of capital projects planned for subsequent years, the Utility may need to consider a higher rate increase for 2030.

The projected annual revenues and expenses with this recommended series of rate increases are shown in Table 7 and Figure 2. These recommended rate increases should be reviewed on an annual basis and adjusted as needed to reflect changes in the Utility's capital improvement program and operating expenses.

It should be noted that these future projections are for planning purposes only. The City and the Utility should continue to assess the financial, physical, and operational conditions of the Utility on an annual basis to respond to changing conditions and make decisions regarding which capital improvement projects to undertake, how those projects should be financed, and the appropriate rate increase that may be needed to meet the revenue requirements of the Utility.

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Table 7 - Projected Cash Flow and Reserves with Recommended and Projected Rate Increases

RATE INCREASE/PROJECTED RATE INCREASE	0.00%	120.00%	22.00%	3.00%	3.00%	3.00%	3.00%
QUARTERLY RATE PER ERU	$13.48	$29.66	$36.18	$37.27	$38.38	$39.54	$40.72
	2024 UNAUDITED	**2025 BUDGET**	**2026 FORECAST**	**2027 FORECAST**	**2028 FORECAST**	**2029 FORECAST**	**2030 FORECAST**
TOTAL REVENUES / TRANSFERS IN							
REVENUES	$ 2,393,270	$ 3,728,439	$ 6,241,872	$ 6,428,497	$ 6,620,720	$ 6,818,710	7,022,640
EXPENSES / TRANSFERS OUT							
OPERATION AND MAINTENANCE EXPENSES	$ 2,066,981	$ 2,984,538	$ 3,074,074	$ 3,166,296	$ 3,261,285	$ 3,359,124	$ 3,459,898
DEBT INTEREST EXPENSE	-	-	-	-	-	-	-
DEBT PRINCIPAL RETIREMENT	-	-	-	-	-	-	-
DEBT ISSUANCE COSTS	-	-	-	-	-	-	-
TOTAL EXPENSES / TRANSFERS OUT	2,066,981	2,984,538	3,074,074	3,166,296	3,261,285	3,359,124	3,459,898
NET AVAILABLE FOR CAPITAL OUTLAY	**$ 326,289**	**$ 743,901**	**$ 3,167,798**	**$ 3,262,201**	**$ 3,359,435**	**$ 3,459,586**	**$ 3,562,742**
CAPITAL OUTLAY EXPENSES							
DEBT RETIREMENT	$ -	$ -	$ 0	$ 0	$ 0	$ 0	$ 0
DEBT ISSUANCE COSTS	-	-	-	-	-	-	-
LOAN TO DEVELOPER	-	-	-	-	-	-	
CAPITAL IMPROVEMENT PROJECTS	1,423,683	1,710,500	1,710,500	1,874,000	1,109,250	3,132,500	5,820,750
CAPITAL EQUIPMENT	779,359	150,000	150,000	443,500	-	500,000	50,000
TOTALCAPITAL OUTLAY EXPENSES	**$ 2,203,042**	**$ 1,860,500**	**$ 1,860,500**	**$ 2,317,500**	**$ 1,109,250**	**$ 3,632,500**	**$ 5,870,750**
CAPITAL OUTLAY FUNDING PLAN:							
CASH FROM YEARLY NET CASH FLOW	$ 326,289	$ 743,901	$ 3,167,798	$ 3,262,201	$ 3,359,435	$ 3,459,586	$ 3,562,742
USE OF / (CONTRIBUTION TO) CASH RESERVES	1,876,753	1,116,599	(1,307,298)	(944,701)	(2,250,185)	172,914	2,308,008
UTILITY NEW BORROWED FUNDS	-	-	-	-	-	-	-
OTHER (TIF/ASSESSMENTS/MISC)	-	-	-	-	-	-	
FEDERAL GRANTS	-	-	-	-	-	-	
OTAL FUNDS FOR CAPITAL OUTLAY EXPENSES	**$ 2,203,042**	**$ 1,860,500**	**$ 1,860,500**	**$ 2,317,500**	**$ 1,109,250**	**$ 3,632,500**	**$ 5,870,750**
UNRESTRICTED CASH ON HAND YEAR END	**$ 267,229**	**$ (849,370)**	**$ 457,928**	**$ 1,402,628**	**$ 3,652,813**	**$ 3,479,899**	**$ 1,171,892**
DAYS CASH ON HAND (TARGET 250)	**47**	**(104)**	**54**	**162**	**409**	**378**	**124**

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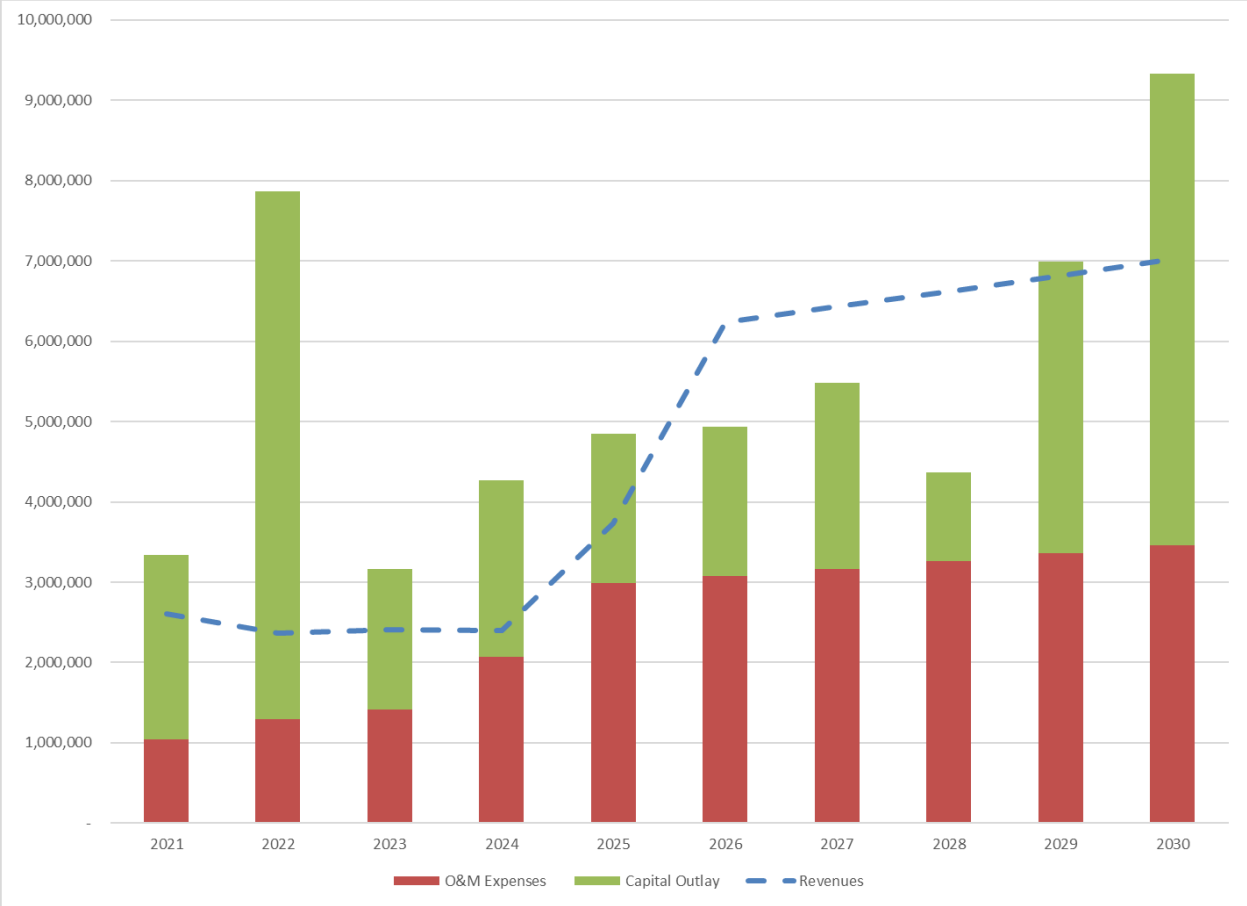
Figure 2 - Projected Revenues and Expenses with Recommended and Projected Rate Increases



Bill Impacts and Community Rate Comparison

The proposed series of rate increases would increase the total annual bill for a single family residential unit from $53.92 per year currently to $118.62 per year in 2025, $144.72 for 2026, and $158.14 per year by 2029. This would be an increase of $64.70 per year in 2025, or $5.39 per month, and an increase of $104.22 per year by 2029, or $8.69 per month.

To put this into context, the stormwater utility rates for other Wisconsin communities were compiled. This does not represent a comprehensive list of all stormwater rates in Wisconsin; rather it is a list of communities for whom this information was readily available. As shown, the

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City's current stormwater rates are relatively low compared to other communities with stormwater utilities.

Table 8 - Annual Stormwater Utility Charges per Single-Family Residential Unit

Community	Charge per REU	Bills per Year	Annual Bill
Cambridge	$28.00	1	$28.00
Delafield	$29.00	1	$29.00
Jefferson	$40.00	1	$40.00
New Richmond	$3.51	12	$42.12
Lisbon	$48.00	1	$48.00
Hudson	$12.00	4	$48.00
La Crosse (current)	**$13.48**	**4**	**$53.92**
Beloit	$4.75	12	$57.00
Prescott	$15.30	4	$61.20
Whitewater	$6.17	12	$74.04
Fort Atkinson	$13.10	6	$78.60
Beaver Dam	$80.08	1	$80.08
Waupun	$84.00	1	$84.00
Stoughton	$7.01	12	$84.12
Evansville	$7.03	12	$84.36
Middleton	$23.00	4	$92.00
Milton	$15.56	6	$93.36
Monona	$96.60	1	$96.60
Slinger	$100.00	1	$100.00
DeForest	$8.75	12	$105.00
Fitchburg (Urban)	$26.64	4	$106.56
Palmyra	$29.31	4	$117.24
La Crosse (proposed 2025)	**$29.66**	**4**	**$118.62**
McFarland	$20.00	6	$120.00
Eau Claire	$31.00	4	$124.00
Sussex	$11.55	12	$138.60
Sun Prairie	$12.05	12	$144.60
La Crosse (proposed 2026)	**$36.18**	**4**	**$144.72**
La Crosse (proposed 2027)	**$37.27**	**4**	**$149.06**
Watertown	$12.52	12	$150.24
Janesville	$38.15	4	$152.60
La Crosse (proposed 2028)	**$38.38**	**4**	**$153.53**
La Crosse (proposed 2029)	**$39.54**	**4**	**$158.14**
Average w/o La Crosse			$88.53
Median w/o La Crosse			$88.18

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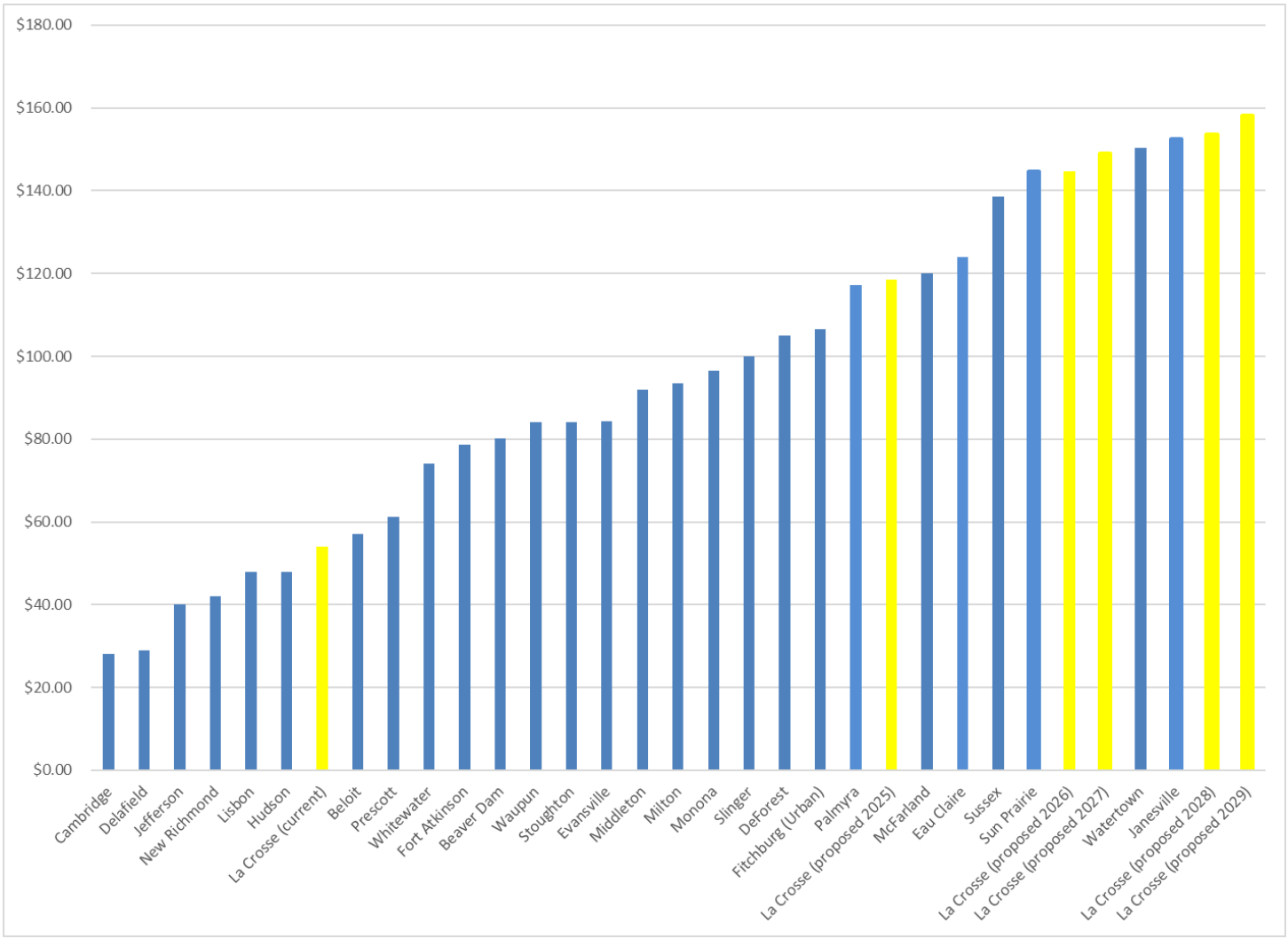
Figure 3 - Annual Stormwater Utility Charges per Single-Family Residential Unit



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