



CITY OF LA CROSSE UTILITIES

WATER - SEWER - STORM

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8/30/2019

Dear Community Partner:

Per many of our Sanitary Sewer Service contracts and as a courtesy to our customers, this letter is being sent to inform you of a pending Sanitary Sewer Utility Rate increase planned for January 1, 2020. Wholesale sewer rates are proposed to go from \$1,631 to \$1,970 per Million Gallons. The full proposed rate schedule is on page 6 of the attached Trilogy Consulting LLC Sewer Rate Study Executive Summary DRAFT report dated June, 2019. Please plan accordingly.

The Sanitary Sewer Utility has been working on and planning for improvements at the Waste Water Treatment Plant (WWTP) for several years. These improvements have been driven by State mandates for enhanced phosphorus treatment, capacity needs related to bio-solids, timing (the facility plan is updated every 10 years), age of the plant, and the desire to add sustainability through methane reuse and heat recovery/re-use.

A draft Facility Plan and draft Rate Study are complete and were presented at a Public Information Meeting held June 25th, 2019. The reports and a recording of the meeting were made available on the City of La Crosse Utility web site immediately following. The next steps are to implement the first phase of rate increase to ensure the Utility is in sound financial shape for the State Clean Water Fund Grant Program, to confirm the demand from wholesale customers to be included in the final Facility Plan, and to do preliminary engineering to ensure all needs to implement the recommendations in the draft Facility Plan are accounted for. No decision on implementation of Phase 2 and 3 of the proposed rate increases will be made until the final Facility Plan and a final Rate Study is approved, but it is likely a Phase 2 rate increase will occur on January 1, 2021, and a Phase 3 increase on January 1, 2022. What those Phase 2 and 3 rates will look like will be finalized after the Facility Plan is finalized.

Additionally, we are inviting all industrial permittees and wholesale customers to come to a Workshop #2 specifically related to the draft Sanitary Sewer Utility Rate Study on September 18th at 1:00 p.m. at La Crosse City Hall (agenda attached). This workshop will include a deep dive into the rate study, the connection fee, and associated calculations. We seek questions to increase the understanding of the process used in the rate study and suggestions to improve the process and the final rate study. I encourage your communities and businesses to participate by sending a representative to the workshop.

Finally, there will be a special La Crosse Common Council meeting on September 18, 2019 at 6:00 p.m. where our engineering consulting firm, Donohue and Associates will present the draft Facility Plan and a proposal for the work needed to make it a Final Facility Plan. Trilogy Consulting LLC will then present the draft Rate Study and the phased rate increase recommended in the plan before the La Crosse Common Council votes on approving these rates and next steps.

There lots of exciting progress made with more to come. Thanks for your interest.

A handwritten signature in black ink, appearing to read "Bernard N Lenz".

Bernard N Lenz, PE
City of La Crosse Utilities Manager