

Memo

To: Village Board

Fr: Julie Beauchamp, Finance Director

Re: Sanitary Sewer Rates

Date: February 25, 2021

At its February 22, 2021, meeting, the Finance/Personnel Ad Hoc Committee moved to recommend to the Village Board that a sanitary rate increase study be completed. As noted in the committee minutes, the last rate increase for the sanitary sewer was done in 2016. This resulted in a 6.6% increase in rates.

Green Bay Metropolitan Sewerage District (GBMSD) charges account for 77% of the 2021 budgeted operating expenses of the sanitary sewer. GBMSD charges of \$1,780,075 in 2017 have steadily increased to a budgeted \$1,973,000 in 2021. In addition, debt service of \$386,867 in 2017 has increased to an anticipated cost of \$528,813 for 2021. (The 2021 borrowing will result in an additional increase in debt service costs in 2022.) As such, cash provided from operations, along with assessment collections, are not sufficient to fund the utility's debt service requirements.

The water utility is not regulated by any state commission. It is being proposed that the rate increase study be done in house as has been the case in the past.

A quarterly sanitary sewer bill comparison for several Brown County communities is attached.

Quarterly Sanitary Sewer Bill Comparison - Residential

Water use gallons/month: 4,500														
As of 2/29/2016														
Sewer Service User Fee														
Billings per Year	4		12		4		12		4		4		12	
Base/Fixed Rate (5/8" meter)	\$	23.24	\$	4.00	\$	17.52	\$	8.00	\$	64.00	\$	65.20	\$	30.15
Volume Charge (per 1,000 gallons)	\$	4.96	\$	4.40	\$	4.84	\$	5.65	\$	5.11	\$	7.41	\$	5.82
Quarterly Base/Fixed Charge	\$	23.24	\$	12.00	\$	17.52	\$	24.00	\$	64.00	\$	65.20	\$	30.15
Quarterly Volume Charge	\$	66.96	\$	59.40	\$	65.34	\$	76.28	\$	68.99	\$	100.04	\$	78.52
Total Quarterly Charge	\$	90.20	\$	71.40	\$	82.86	\$	100.28	\$	132.99	\$	165.24	\$	108.67

As of 2/25/2021														
Sewer Service User Fee														
Billings per Year	4		12		4		12		4		4		12	
Base/Fixed Rate (5/8" meter)	\$	23.24	\$	7.00	\$	18.32	\$	8.15	\$	64.00	\$	59.33	\$	32.90
Volume Charge (per 1,000 gallons)	\$	4.96	\$	6.30	\$	5.06	\$	5.98	\$	7.13	\$	9.21	\$	8.10
Quarterly Base/Fixed Charge	\$	23.24	\$	21.00	\$	18.32	\$	24.45	\$	64.00	\$	59.33	\$	32.90
Quarterly Volume Charge	\$	66.96	\$	85.05	\$	68.31	\$	80.73	\$	96.26	\$	124.34	\$	109.38
Total Quarterly Charge	\$	90.20	\$	106.05	\$	86.63	\$	105.18	\$	160.26	\$	183.67	\$	142.28

*** The \$64/quarter base/fixed rate for the Village of Hobart as of 2/25/2021 has not yet been verified.