Business Item: 2026-131 SW:

Adoption of ES Wastewater Rates and Charges

Christine Dwyer, Director of Budget & Revenue

Environment Committee: August 11, 2026

Proposed Action

That the Metropolitan Council adopt the wastewater rates and charges outlined in business item 2026-131, to be effective January 1, 2027.

Overview

- 2027 Rate Setting Schedule
- Feedback from Customer Meetings
- 2027 ES Budget Executive Summary
- Proposed 2027 Sources & Uses
- Debt Service
- Nationwide Comparative Rate Information
- Sewer Availability Charge (SAC)
- Proposed Action
- Questions

2027 Rate Setting Schedule

May 12	Industrial Workshops (In-person & virtual)
June 9	Environment Committee Budget Preview
June 4 & June 16	Municipal Customer Forums (June 4 Virtual, June 16 In-person)
August 11	Environment Committee Review of Customer Input and 2027 Rate Adoption Recommendation
August 12	Council Rate Adoption
August 26	Council Preliminary Operating Budget Adoption

Customer Meetings

Virtual: 50 Attendees from 32 Communities
In Person: 3 Attendees from 3 Communities

- Two Customer Budget Meetings were held
  - June 4 – Virtual
  - June 16 – Metropolitan Water Resource Recovery Facility

- Preliminary Municipal Wastewater Charges (MWCs) were sent in early June to each of our 111 communities

- No questions from Virtual meeting and a couple of questions in in-person: 1) request for more timely flow data and 2) how far out can we predict stable rates.

- Meeting Topics
  - 2025 Updates
  - Budget and Finance
  - Municipal Wastewater Charge Calculations
  - Capital Improvement Program

METROPOLITAN COUNCIL

2027 Executive Summary (vs. 2026)

Proposed Sources vs. 2026

- Wastewater charge: ……..3.5%
- Total Sources……..……1.4%

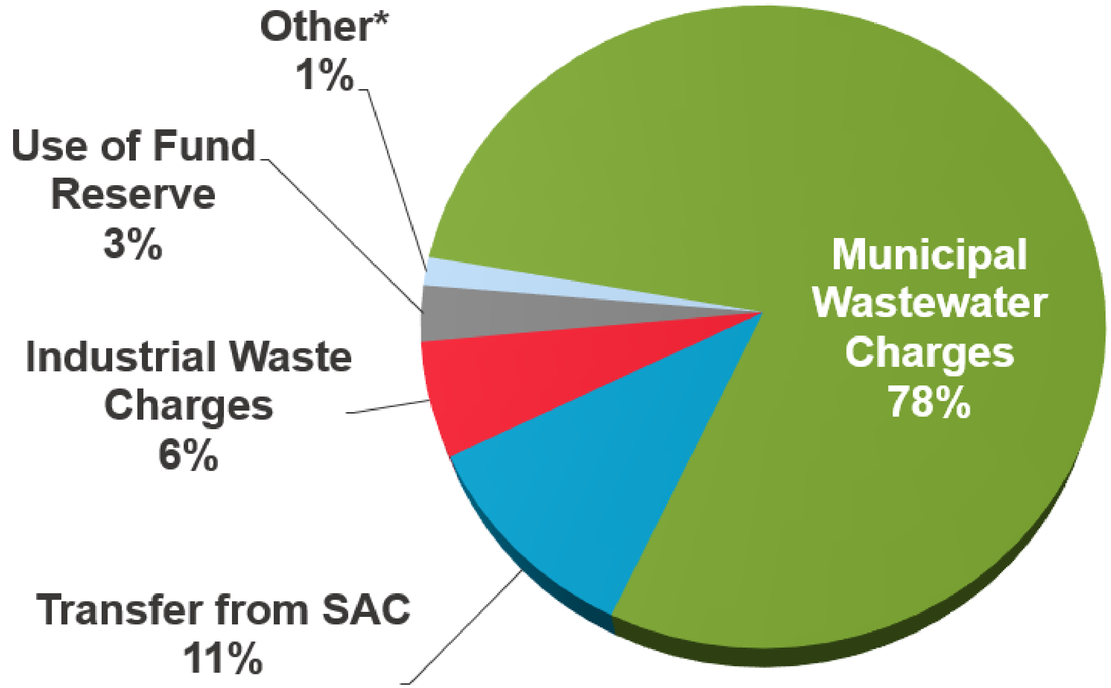
Proposed Uses vs. 2026

- Total Uses……..……1.4%

Proposed Rates

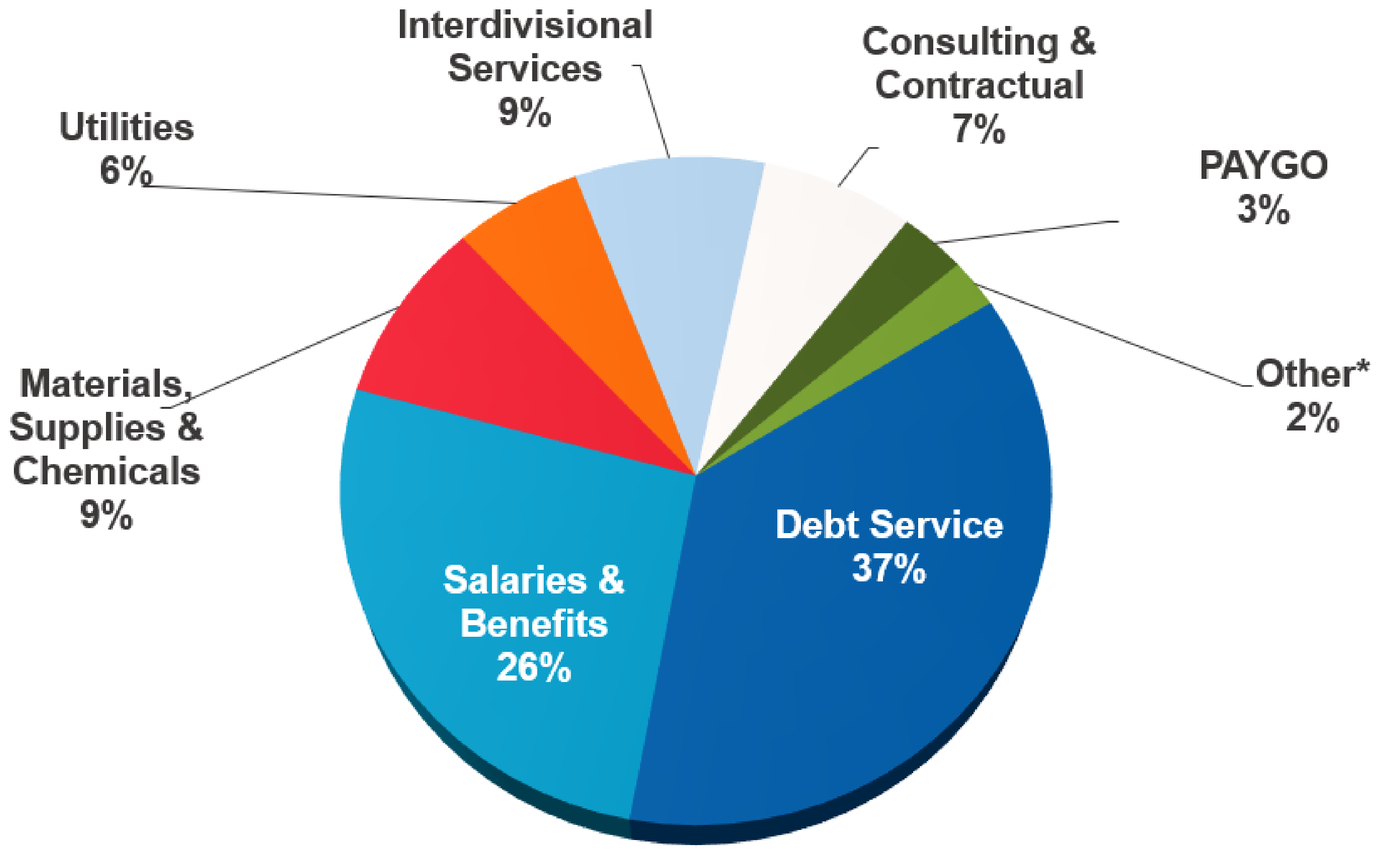
- Sewer Availability Charge: ……..No Increase
- Industrial Strength Charge: 7.2%
- Industrial Permit Fees: ……..…~3.5% on average

2027 revenue sources: $411M



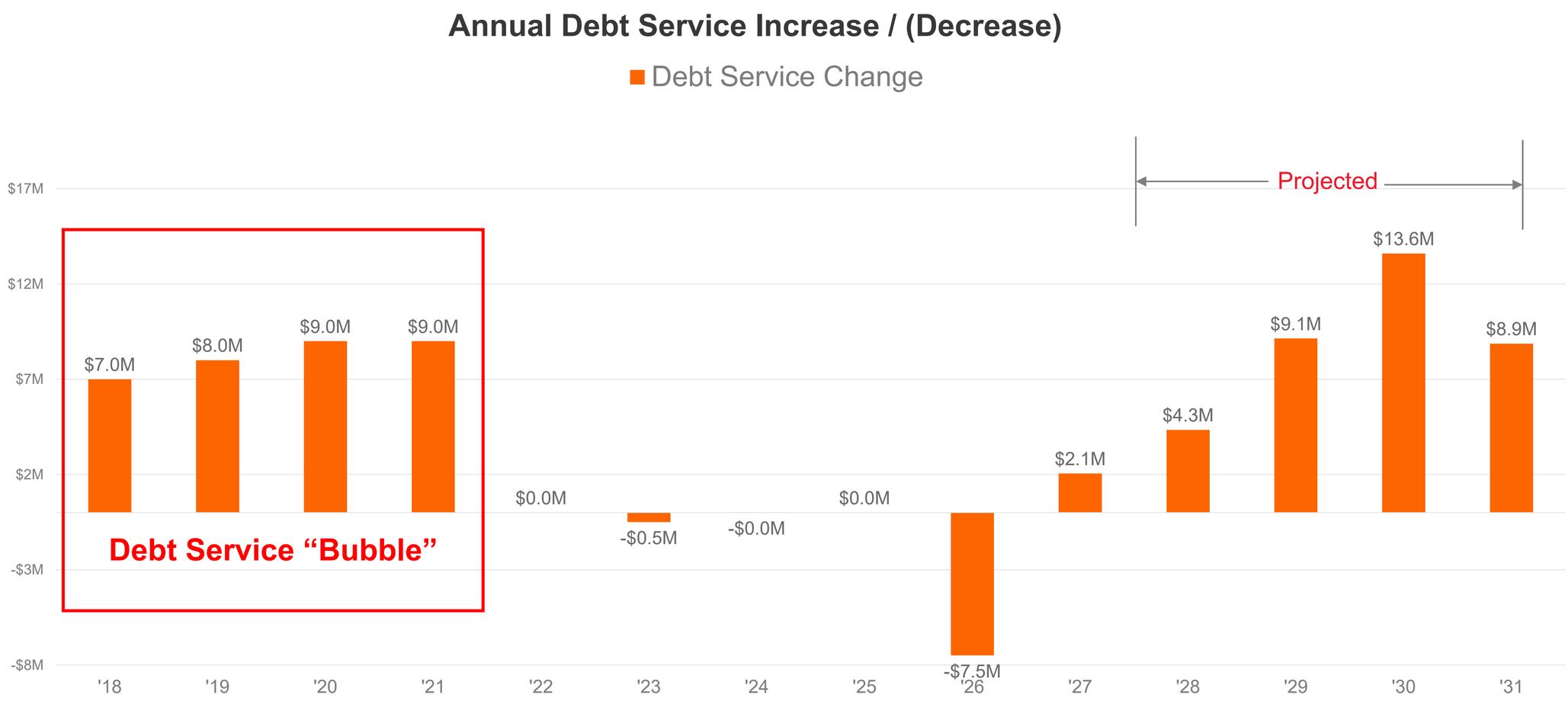
*Includes $3.8M interest and other investment revenue

2027 uses by category: $411M

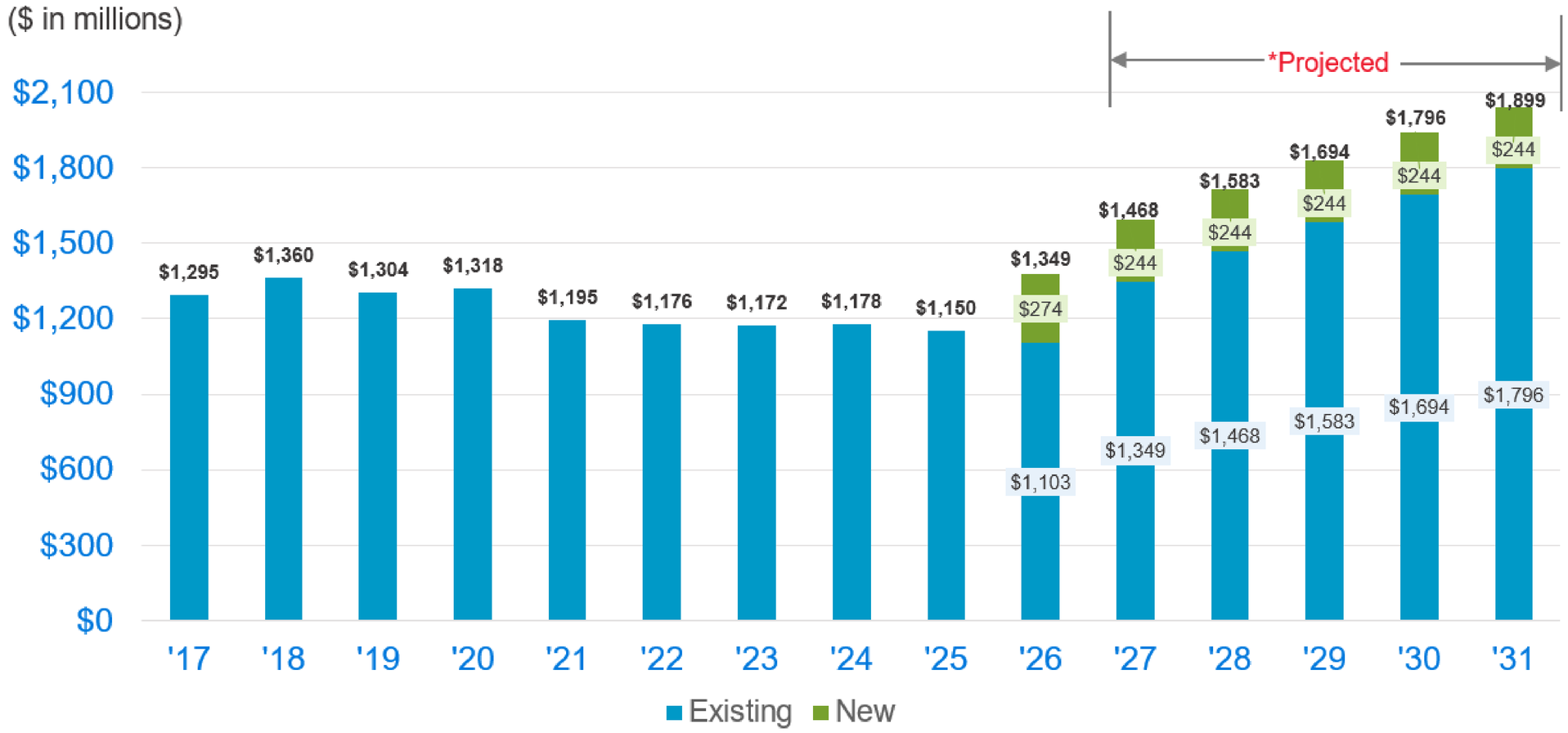


*Includes capital outlay, intergovernmental grants, and other expenses

Projected debt service change



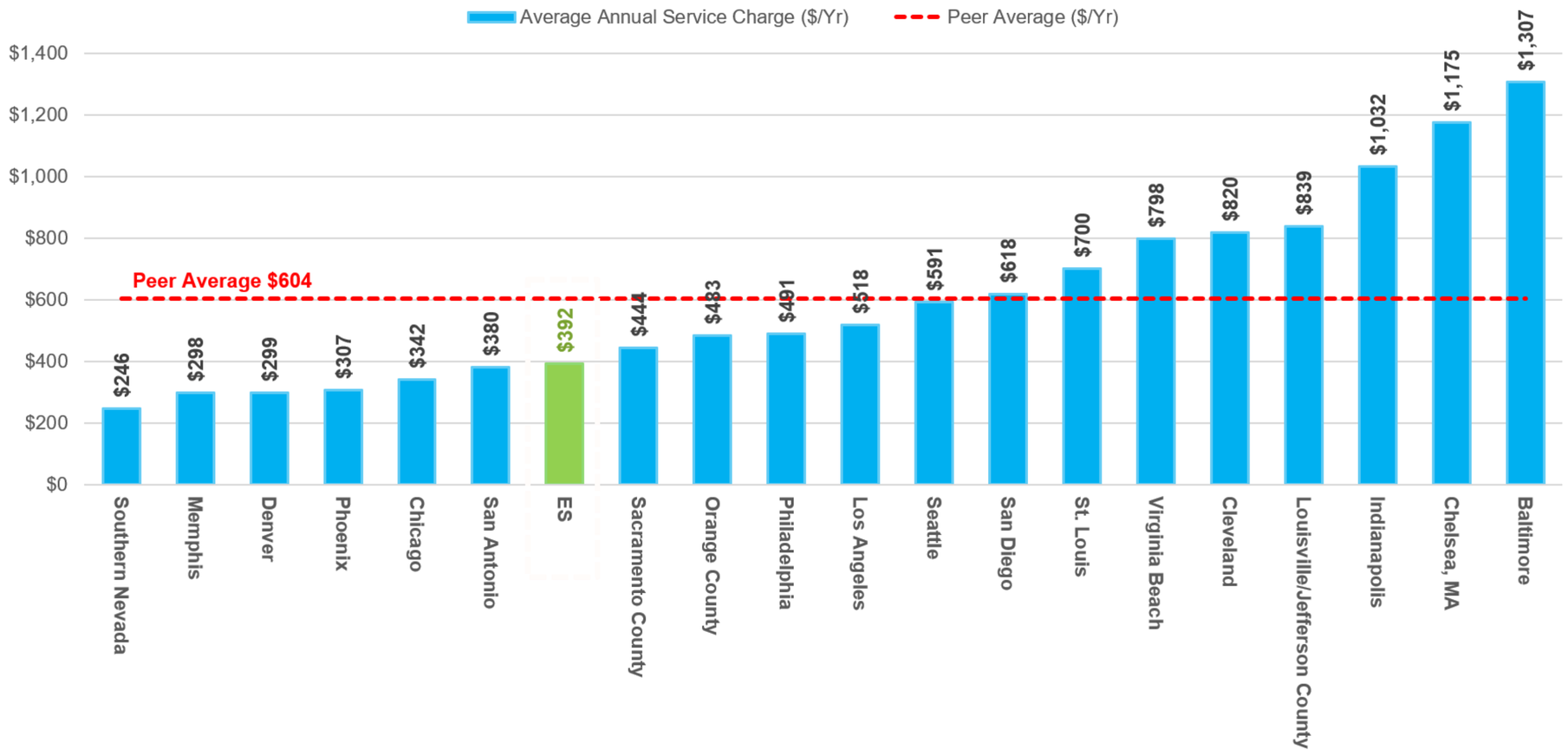
Wastewater outstanding debt



*Based on 2026-2031 Capital Improvement Plan

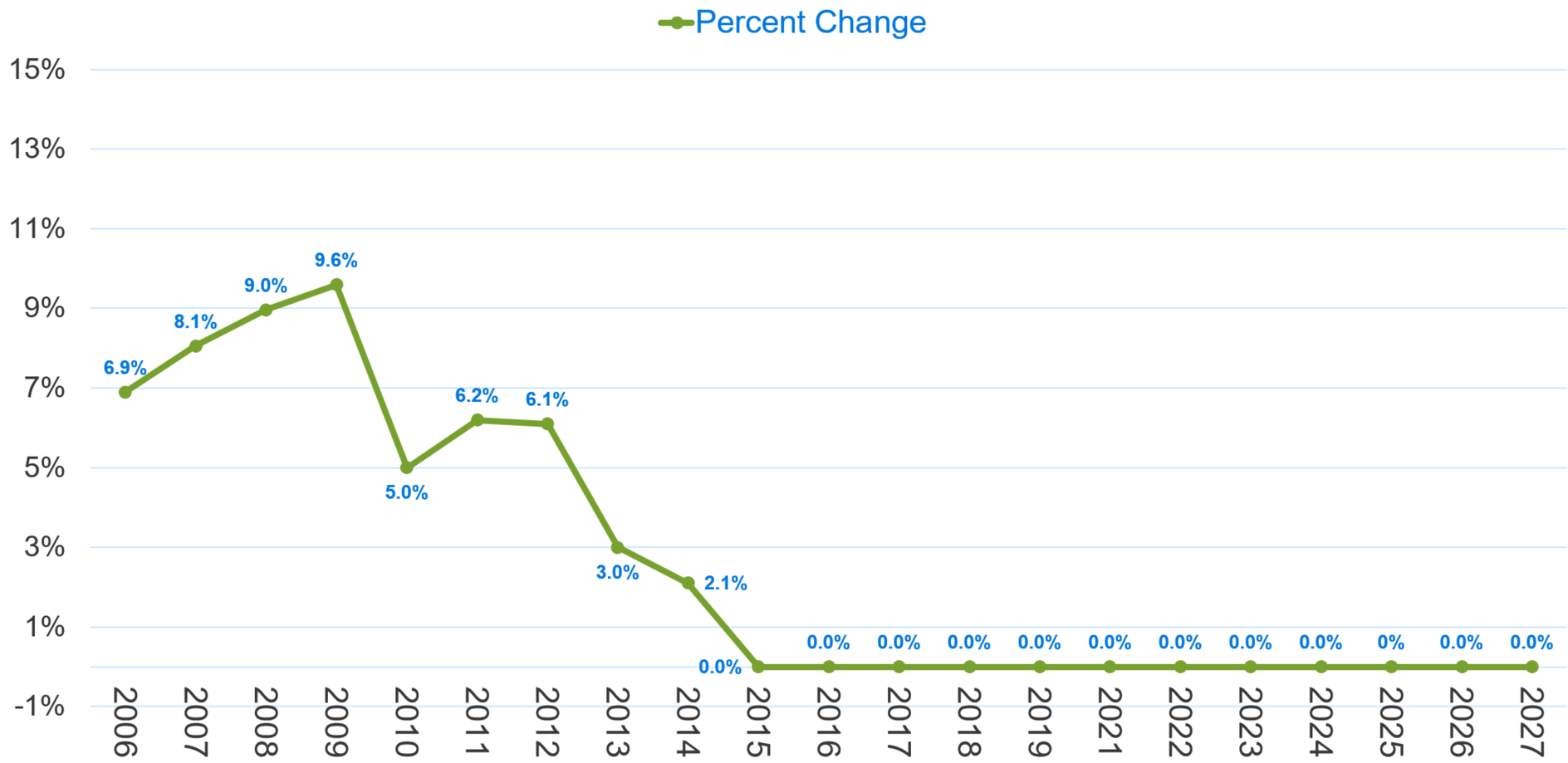
Retail Sewer Rate Comparative Information

- Average retail sewer rates per household

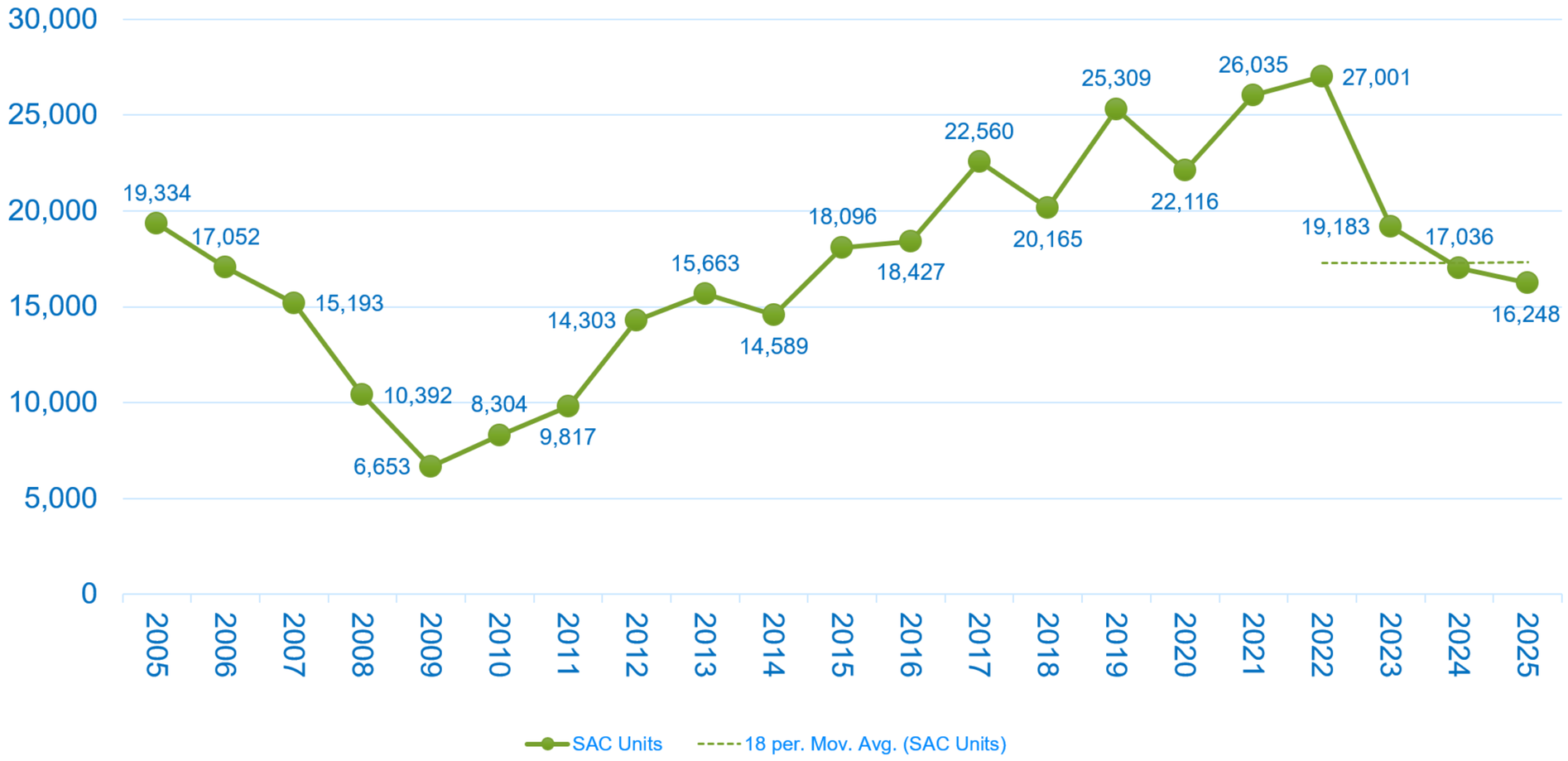


* 2024 NACWA survey of 2023 rates (update coming in 2027)

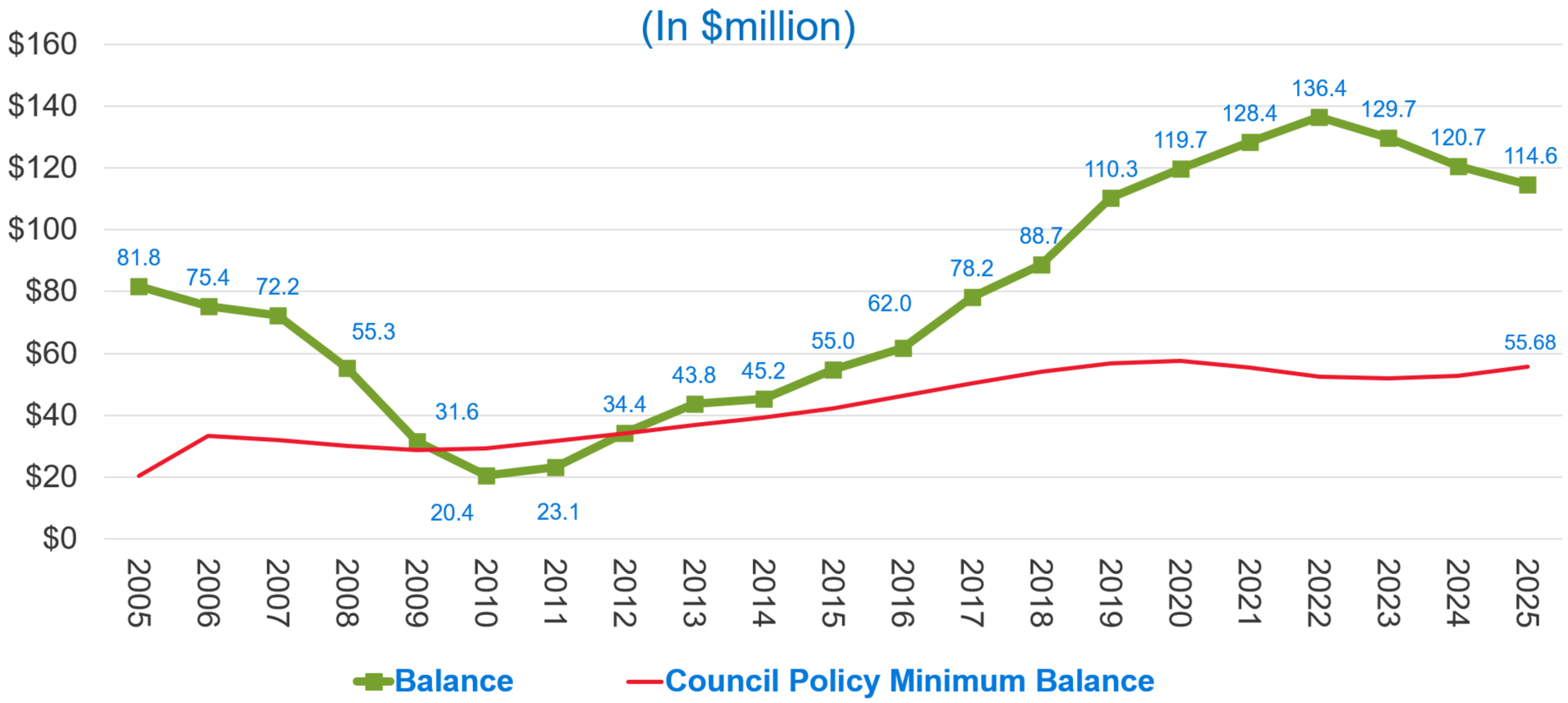
Historical SAC rate increases (%)



SAC Units: development continues



SAC reserve balance



Strong reserve balance will help ES manage future SAC rates

Proposed Action

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Questions?