

LRB – FISCAL REVIEW SECTION ANALYSIS

JUDICIARY & LEGISLATION COMMITTEE
FEBRUARY 3, 2003

ITEM 9, FILE 021512
EMMA J STAMPS

File #021512 is a communication from the Comptroller's Office transmitting a report on revised sewer user rates.

BACKGROUND

1. The communication from the Comptroller's Office provides the Common Council with the new quarterly sewer user rates imposed by the Milwaukee Metropolitan Sewerage District (MMSD) as directed by Section 309-51 of the Milwaukee Code.
2. Under Section 309-51 of the Milwaukee Code, the City is to pass through rate changes imposed by the MMSD, plus the City's cost for administering the sewer user charge.
3. Under Section 309-54 of the Milwaukee Code, the City is to establish the local sewer user charge.
4. File #020589 requires that the Common Council must approve the percentage of consumption used to determine user charges annually.
5. File #020967 maintains that the sewer consumption is calculated at 95.5% of water consumption.

DISCUSSION

1. The 2003 budget modified the method of calculating the local sewerage charge, effective January 1, 2003.
2. The change, per Common Council file 020589, passed November 9, 2002 would have based the charge on water consumption for the winter quarter. The new methodology is as follows:
 - a. The modification uses actual water consumption for the winter quarter *or* actual water consumption of winter water consumption for the 3 subsequent quarters, whichever is less.
 - b. In the event that the winter quarter is 21 Ccf or less, then 21 Ccf, or the actual water consumption, whichever is less, shall be the basis of the sewer user charge in any of the 3 subsequent quarterly billing periods.
3. Also, the 2003 charge is \$1.1094 per 100 cubic feet (Ccf) of discharged water, and took effect on January 1, 2003.
4. The revised sewer rates are effective with the bills generated in February 2003.
5. The Water Works and City Engineer have reviewed the Comptroller's proposed rates and they both concur.

FISCAL IMPACT

In 2002, residential users were billed 96% of residential quarterly water consumption. Per the Water Works, the billable average quarter residential consumption was 33 Ccf and the billable average quarterly single family consumption was 23 Ccf.

Based on a current 34 Ccf average quarterly water consumption per residential account, the proposed rates, and the new billing methodology, a quarterly sewer user charge bill for such an account is as follows.

City Sewer Maintenance Fee

Period
Pct of 34 CCf
Billable CCf
Rate
Billing

Qtrs. 1-4
96
33
\$0.8329
\$109.94

Proposed Residential

MMSD Sewer Treatment Fee

Period
Pct of 34 CCf
Billable CCf
Rate
Billing

Qtrs 1-4
96
33
\$0.65
\$85.80

Proposed Residential

Qtrs. 1-4
96
33
\$1.1094
\$146.44

Proposed Single-Family

Qtrs. 1-4
96
33
\$0.63
\$83.16

Proposed Single-Family

Qtrs. 1-4
-
23
\$1.1094
\$102.06

Qtrs. 1-4
-
23
\$0.63
\$57.96

Fee Type	Present Yearly Cost	Proposed Yearly Cost	Difference
Sewer Maintenance	\$109.94	\$146.44	\$36.50
Sewer Treatment (MMSD)	\$85.80	\$83.16	(\$2.64)

Cc: Marianne Walsh
Eric Pearson
W. Martin Morics

Prepared by: Emma Stamps (X 8661)
LRB – Fiscal Review Section
January 30, 2003

Carrie Lewis
Earl Smith