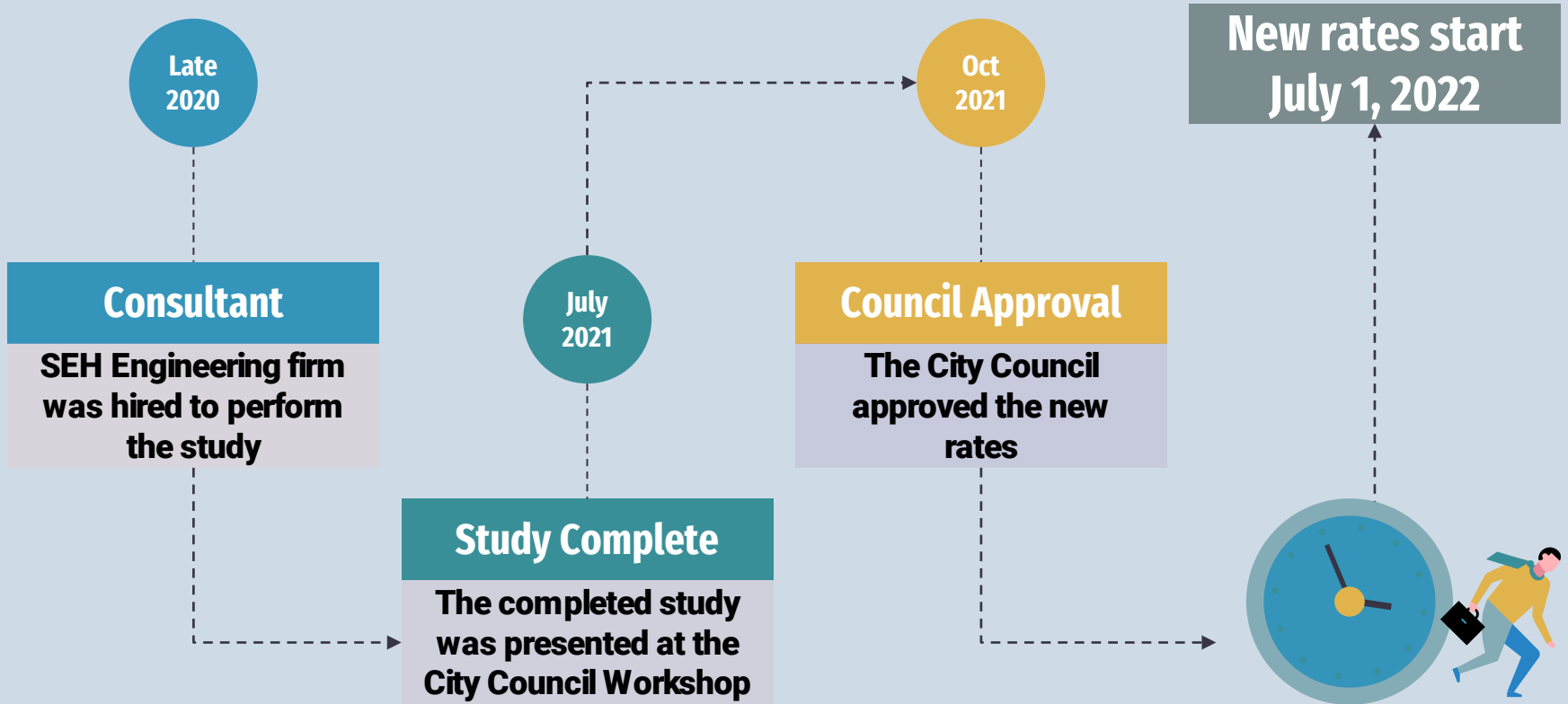




City of Red Wing Water & Sewer Rates 2022

Open House Meeting

Rate Study Timeline



Goals of the Rate Study



01

Equity

Provide fair & equitable rates for all

02

Conservation

Promote water conservation



03

Expenses

Review operating & capital expenditures

04

Plan

Develop cost-based rates to maintain reserves & operational stability



What are you charged for?

01

Availability

“WA & SE Availability”
Covers fixed costs such as labor, insurance, buildings, etc
It is based on the meter size and the amount of water that can be delivered

02

Commodity

Numbers fluctuate monthly based on how much you use. Covers variable costs such as power, chemicals, etc



Summary of Changes



01

Availability Charges Increase

These charges cover fixed costs

02

Water Commodity Increases 1¢

Old charges were in line with variable costs

03

Sewer Commodity Decreases \$1.14

Residential paid more percentage-wise

04

Multifamily Moves to REU

Availability charge is \$13 per unit

New Rates

	Water Availability		Sewer Availability	
Meter Size (inches)	Old	New	Old	New
5/8	\$ 13.96	\$ 20.00	\$ 16.07	\$ 19.00
3/4	\$ 13.96	\$ 22.00	\$ 16.07	\$ 20.90
1	\$ 18.05	\$ 54.00	\$ 16.07	\$ 51.30
1.5	\$ 33.36	\$ 106.00	\$ 16.07	\$ 100.70
2	\$ 52.14	\$ 216.00	\$ 16.07	\$ 205.20
3	\$ 100.23	\$ 494.00	\$ 16.07	\$ 469.30
4	\$ 157.88	\$ 746.00	\$ 16.07	\$ 708.70
6	\$ 315.72	\$ 2,190.00	\$ 16.07	\$ 2,080.50
Commodity Per 100 cf	\$ 3.77	\$ 3.78	\$ 4.78	\$ 3.64

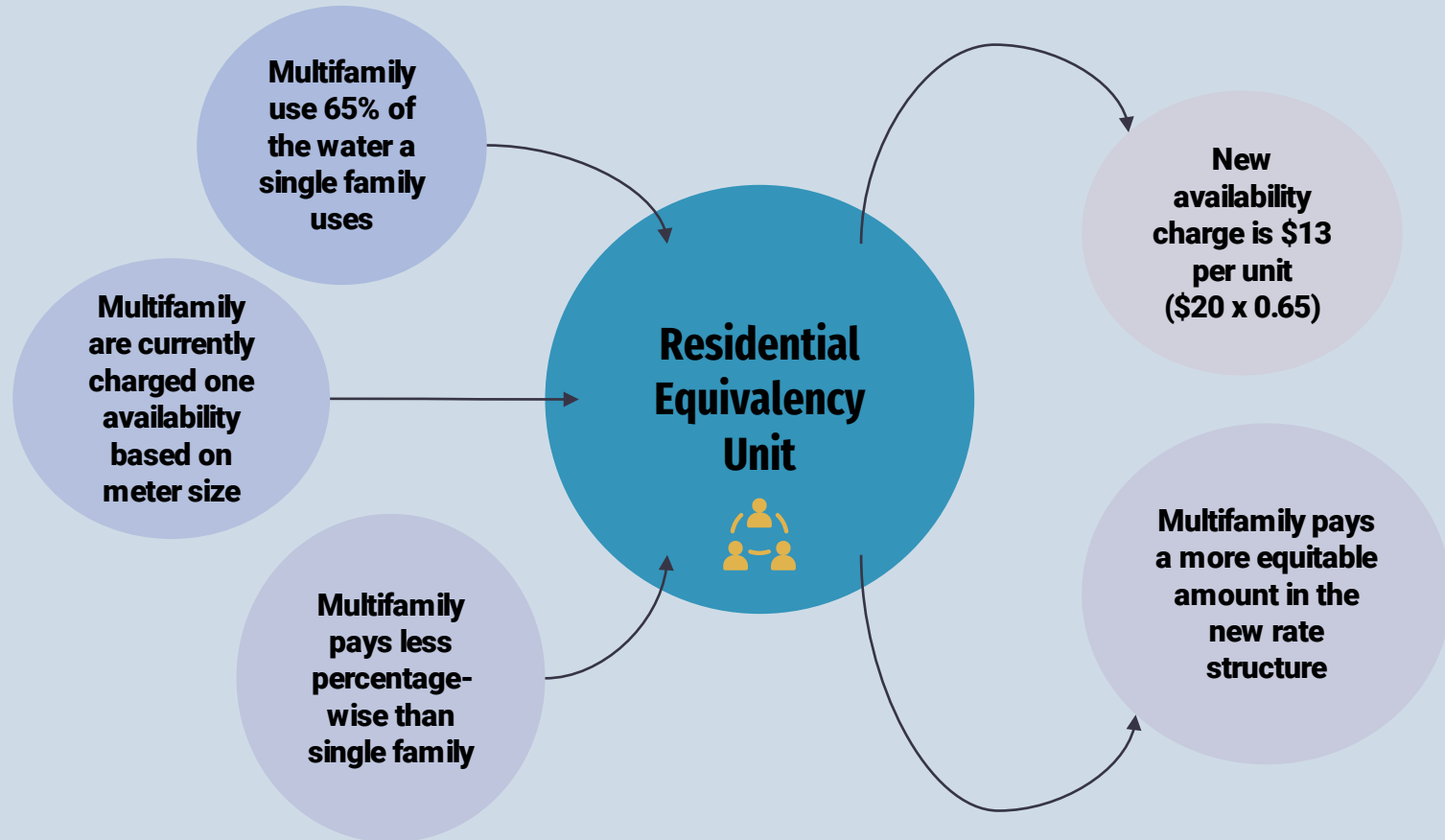
Multifamily Residential Equivalency Units

A Residential Equivalency Unit or REU is the impact a multifamily residential unit has on the water and sewer system compared to a single family.



Multifamily residential uses 65% of the water a single family uses. Therefore, the availability charge is 65% of the single family availability charge for each unit.

Multifamily Residential REU's



Who will feel the changes the most?

Increases per month

Single Family Residential

Small meter sizes will see increase of a few dollars

400 cf $\frac{5}{8}$ " meter = \$4.45

800 cf $\frac{5}{8}$ " meter = - \$0.07

Multifamily Residential

Availability charges increase to \$13 per unit

2 units, 1200 cf $\frac{5}{8}$ " meter = \$7.11

4 units, 2500 cf $\frac{3}{4}$ " meter = \$43.12

8 units, 4800 cf $\frac{3}{4}$ " meter = \$118.53

Large Businesses, Institutions

Large meter sizes will have greater increases due to availability charge

MF 16 units, 6,600 cf $1\frac{1}{2}$ " meter = \$281.59

3,500 cf 2" meter = \$265.35

15,200 cf 3" meter = \$675.24

How will the new rates make things more equitable?

Equity

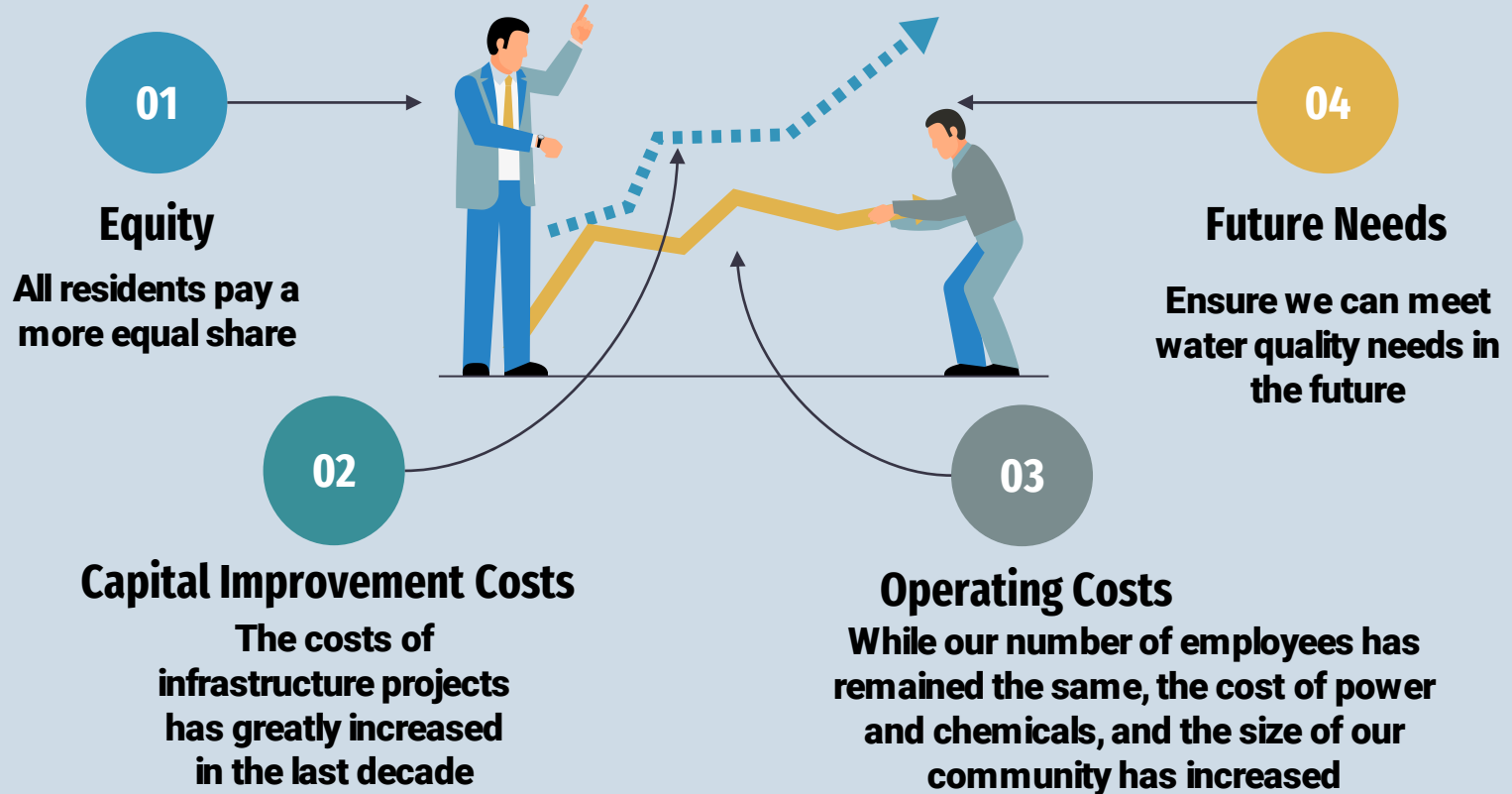
Single family homes have paid more percentage wise for availability. In the new rates, everyone is paying a more equal amount.



Improvement

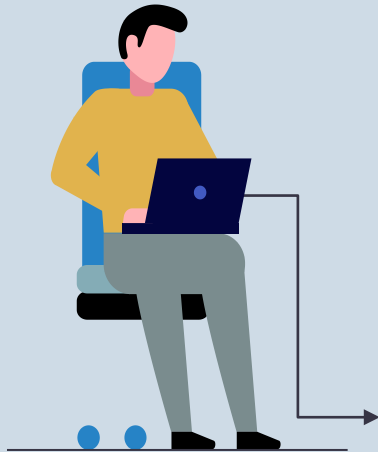
The new rates will allow the city to make improvements to the infrastructure to ensure all customers receive the utility services they need.

Why do we need this change?



What is the cost per gallon with the new rates?

**Water/Sewer
cost per gallon**



**Nonresidential
\$0.007 - \$0.013**

**Multifamily
Residential
\$0.008 - \$0.009**

**Single Family
Residential
\$0.010 - \$0.018**

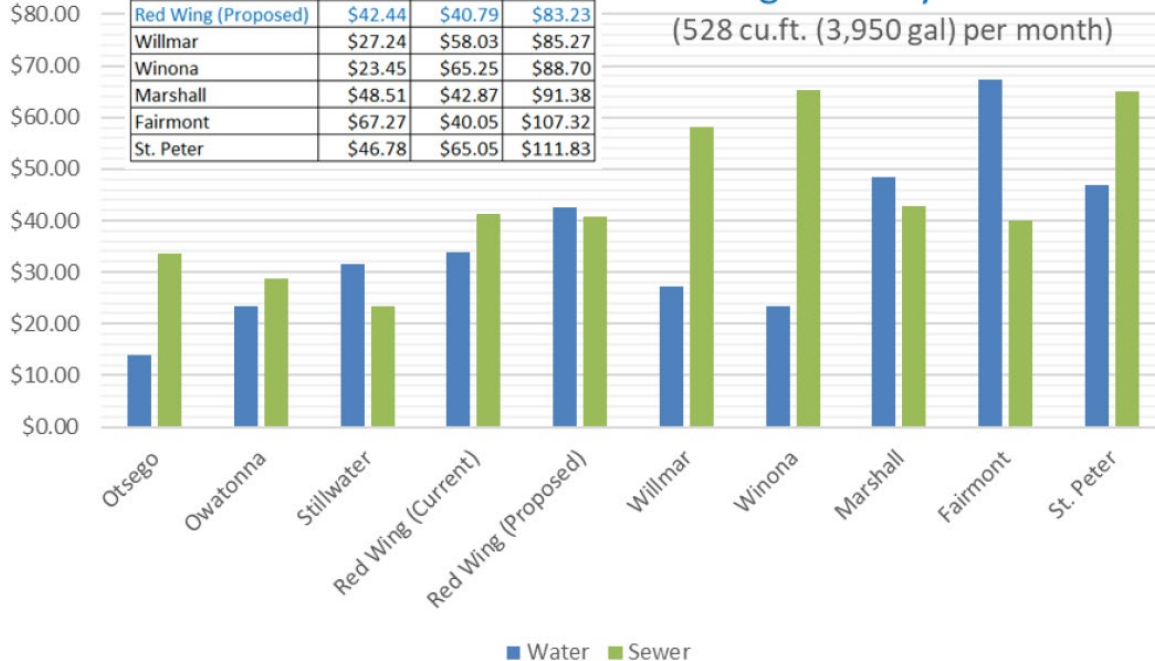
**The new rates will make the
cost per gallon more equal for
all customers.**

How do our rates compare to other cities?

City	Water	Sewer	Total
Otsego	\$13.96	\$33.66	\$47.62
Owatonna	\$23.40	\$28.81	\$52.21
Stillwater	\$31.50	\$23.47	\$54.97
Red Wing (Current)	\$33.87	\$41.31	\$75.18
Red Wing (Proposed)	\$42.44	\$40.79	\$83.23
Willmar	\$27.24	\$58.03	\$85.27
Winona	\$23.45	\$65.25	\$88.70
Marshall	\$48.51	\$42.87	\$91.38
Fairmont	\$67.27	\$40.05	\$107.32
St. Peter	\$46.78	\$65.05	\$111.83

2021 Water & Sewer Rates for Single Family Residential

(528 cu.ft. (3,950 gal) per month)



Red Wing's aging infrastructure, hilly terrain, and water quality requirements all factor into the costs



Where can I get more information?

The City Website

<http://red-wing.org/1090/2022-Water-and-Sewer-Rate-Changes>

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