



MEMO

Finance

To: Common Council
From: Finance Director
Date: 12/6/2022
Re: Resolution Amending Storm Water User Fee

The Storm Water Utility (Fund 601) is funded by a user fee. This fee is reviewed each budget cycle to confirm if the revenue generated by the current user fee is sufficient to support the budget of the Storm Water Utility fund. In addition to the budgeted expenses and revenue the utility fund has debt covenants that need to be met which entails a debt coverage ratio of at least 1.25 times the debt service expense.

An analysis was done during the 2023 budget on a plan moving forward on how to control the rate yet continue the infrastructure improvements. Staff believes a gradual rate increase over the next five years will get to a level where most of the annual capital improvement project cost can be covered by the user fee. This will eliminate the need to chase the debt coverage ratio by increasing the user fee.

With the 2023 increase, the Storm Water Fund covers the budget for 2023 and works toward the capital infrastructure plan we discussed during the budget presentation. The Storm Water rate is governed by resolution. The following resolution updates the rate to \$9.00/ERU per month on January 1, 2023, and to \$9.75/100 cubic feet on July 1, 2023.

RESOLUTION NO. 2022-5364

**RESOLUTION AMENDING EQUIVALENT RUNOFF UNIT (ERU)
CHARGES FOR STORMWATER UTILITY**

WHEREAS, the ordinance creating a stormwater utility contains a provision that charges for stormwater services for each lot within the City of Kaukauna shall be made by resolution and,

WHEREAS, the ERU rate of \$96.00 (\$8.00 per month) effective January 1, 2023, is insufficient to cover the 2023 budgeted expenditures of the stormwater utility.

THEREFORE, BE IT RESOLVED that the stormwater charge shall be based on the Equivalent Runoff Unit (ERU) and the charge for one (1) ERU shall be \$108.00 (\$9.00 per month) effective January 1, 2023, and \$117.00 (\$9.75 per month) effective July 1, 2023

BE IT FURTHER RESOLVED that the contents of this resolution will be applicable to service billed by Kaukauna Utilities or the City of Kaukauna on or after January 1, 2023.

BE IT FURTHER RESOLVED that the Finance Director and Director of Public Works shall report to the Mayor and the Common Council as to whether the rates are still appropriate at least annually.

Introduced and adopted this 6th day of December, 2022.

APPROVED: _____
Anthony J. Penterman, Mayor

ATTEST: _____
Sally Kenney, Clerk