MEMORANDUM

To: City of Menasha Board of Public Works

From: Mark Radtke, Director of Public Works
Peggy Steeno, Director of Administrative Services

Date: September 2, 2015

RE: Methodology Used To Bill Storm Water Charges

BACKGROUND

The methodology currently used to bill storm water charges in the City of Menasha was established by the Common Council in 2008. As part of the creation of the Storm Water Utility in 2008, effective in 2009, the following customer classifications and equivalent run-off units (ERU's) were established:

Residential – Single Family	= 1 ERU
Residential – Duplex	= 1 ERU X number of dwelling units (2 ERU's)
Residential – Multi-Family	= ERU charge X parcel impervious area / 2,980 square feet
Residential – Riparian	= 0.80 ERU X number of dwelling units
Non-Residential	= ERU charge X parcel impervious area / 2,980 square feet

Recently there have been questions as to whether the above methodology is the most appropriate way to charge, specifically with regard to the duplex ERU's.

ANALYSIS

As shown in the comparable analysis provided at the July 20, 2015 Board of Public Works Meeting, as attached, various communities handle the duplex charge differently, ranging from 1.00 ERU to 2.00 ERU's per duplex.

Below is an analysis showing the effect of the different rates, using the specific number of duplex properties in the City of Menasha, under the currently established rates:

Current – Duplexes – 1.00 ERU Per Dwelling Unit / 2.0 ERU's Per Duplex:
Total Number of ERU's – 14,920
Total Amount of Revenue - $1,119,000
Number of Duplexes - 490
Current Duplex Charge - $150 / Year
1 ERU - $75.00 / Year

Alternate #1 – Duplexes - 0.75 ERU's Per Dwelling Unit / 1.50 ERU's Per Duplex:
Total Number of ERU's – 14,675
Total Amount of Revenue - $1,119,000
Number of Duplexes - 490
Duplex Charge - $114.48 / Year
1 ERU – $76.32 / Year (An increase of $1.32 / ERU)

Alternate #2 - Duplexes - 0.50 ERU's Per Dwelling Unit / 1.00 ERU Per Duplex:
Total Number of ERU's – 14,430
Total Amount of Revenue - $1,119,000
Number of Duplexes - 490
Duplex Charge - $77.64 / Year
1 ERU - $77.64 / Year (An increase of $2.64 / ERU)

As illustrated in the analysis above, reducing the number of ERU's being charged to duplexes, will increase the overall rate per ERU, thereby reducing the charge for duplexes and increasing the charge to all other properties in the City.

FISCAL IMPACT

Overall, the amount of revenue needed to operate the Storm Water Utility in a prudent manner will not change. Rather the number of ERU's and charge per ERU will change, affecting customers differently, as noted above.

RECOMMENDATION

Staff recommends maintaining the existing, established methodology.

Method of Charging Various Property Types - Storm Water
7/16/2015

Stormwater Utility Name	Equivalent Runoff Unit, ERU, Size (Sq. Feet)	ERU's Charged per Single Family Home	ERU's Charged per Duplex	ERU's Charged per Triplex	ERU's Charged for All Other Properties
City of Appleton	2,368				
Village of Little Chute	2,762	1.00	1.20	By sq. ft.	By sq. ft.
City of Oshkosh	2,817	.67 - 1.33*	.67 - 1.33*	.67 - 1.33*	By sq. ft.
City of Kaukauna	2,944	1.00	1.20	By sq. ft.	By sq. ft.
City of Menasha	***2,980***	***1.00***	***2.00***	***N/A***	***By sq. ft.***
City of Neenah	3,138	0.50 - 2.00*	0.50 - 2.00*	0.50 - 2.00*	By sq. ft.
Town of Grand Chute	3,283	1.00	2.00	2.00	By sq. ft.
Village of Kimberly	3,350	1.00	Unknown	Unknown	By sq. ft.
Garner's Creek Watershed	3,623	Unknown	Unknown	Unknown	By sq. ft.
Town of Neenah	4,040	1.00	Unknown	Unknown	By sq. ft.
Town of Menasha	4,177	1.00	1.32	1.98	By sq. ft.

* Dependent on Size of Parcel