



## Project WIN Funding Plan

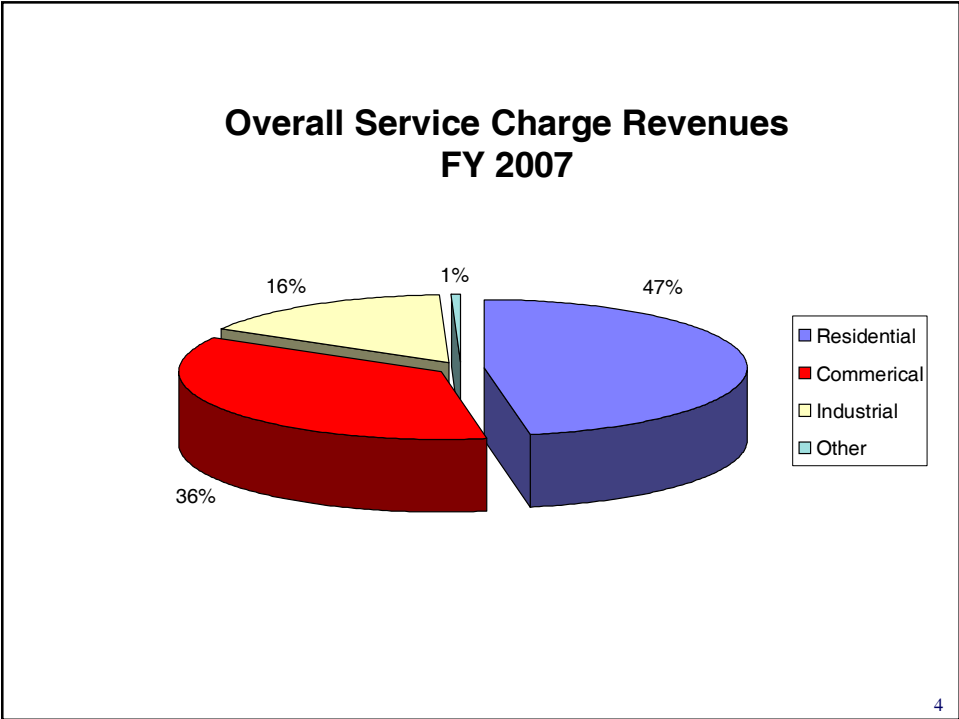
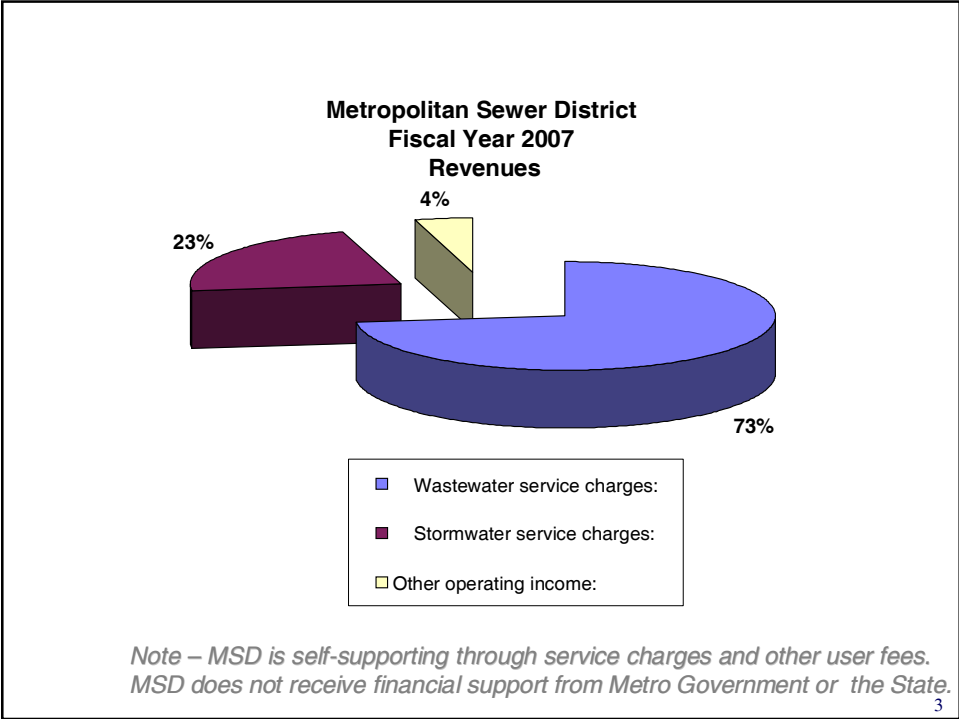
User Fees and Incentives  
Wet Weather Team Meeting  
April 3, 2008



## Sources of FY 2007 Revenues

- Wastewater Charges - \$96.6 million
- Stormwater Charges - \$29.9 million
- Miscellaneous Income (connection fees, capacity charges, etc.) - \$6.0 million

Total FY 2007 Revenues = \$132.4 million





## Wastewater Revenues

Totaled \$ 96.6 million in FY 2007

Consisted of:

- WW Service Charges (\$23.9 million)
- Volume Charges (\$61.4 million)
- Quality Charges (\$11.3 million)

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## Wastewater Service & Volume Charges

- WW service charges are fixed charges based on water service meter sizes
- Regular volume rate – applicable to water usage.
- Optional volume rates – available to customers whose average water usage or sewer discharge exceeds 1,000,000 gallons per month
- Sewer only volume rates – applicable to metered sewer discharges.

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## Quality Charges

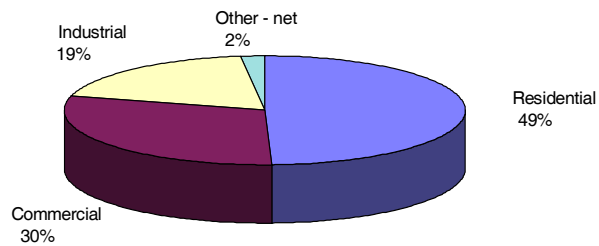
Applicable to wastewater strengths in excess of 250 mg/liter of biochemical oxygen demand (BOD) or 270 mg/liter of suspended solids (SS).

Paid by commercial and industrial customers.

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### Wastewater Revenues FY 2007



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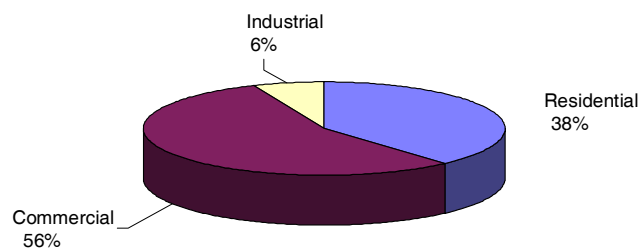


## Stormwater Charges

Current rate is \$5.02 per month for residential customers and \$5.02 per 2,500 square feet of impervious surface area for commercial and industrial customers

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### Stormwater Service Charges FY 2007



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## Other Revenues

- Capacity Charges – fee paid by developers of property to help defray the future cost of providing Master Plan sewerage facilities
- Connection Fees – fee paid to connect to MSD sewers
- During the past 10 years, these fees have comprised 72% of other operating income

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## Implementation of New Incentives

- The use of incentives will not provide immediate reductions in expenses but should be viewed as long-term initiatives.
- Revenues lost from incentives granted to one customer class must be recovered from the remaining ones.

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## Current Incentives/Discounts

- Optional rate structure provides a discount for usage above 1,000,000 gallons per month
- Credit of up to 82% off stormwater billings for detention/retention basins
- Reduced quality charges for “cleaner” wastewater streams
- Senior Citizens Discount Program – 30% off consent decree and wastewater billing

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## Potential Incentives / Discounts

- Drainage credit for use of pervious pavement
- Drainage credit for customers that use rain barrels or rain gardens
- Splitting of drainage fee into qualitative (cleanliness) and quantitative (volume) categories could result in reduced charges for some customers

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## Potential Incentives / Discounts (cont'd)

- Temporary incentive for customers who disconnect downspouts from the sewer system (i.e., provide a discount off drainage or sewer bill)
- Expansion of discount program to include disabled individuals
- Create bill payment assistance program similar to L.G.&E.'s Winterhelp program.

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## Discussion Questions



- What incentives do you believe MSD should offer?
- Are there incentives currently offered by MSD that you feel should be modified?
- What, if any, additional information would be helpful for future discussions regarding incentives?
- What additional information would be useful regarding MSD's revenue sources?
- Do you have any other questions or comments?

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