

Memo

To: Village Board

Fr: Julie Beauchamp, Finance Director

Re: Storm Water Utility Rate Increase

Date: May 14, 2026

The proposed 2026 storm water utility rate increase was discussed at the April 27, 2026, Finance/Personnel Ad Hoc Committee meeting. The committee recommended that the Village Board approve the increase, effective for June 2026 usage billed in July. The proposed increase was also reported to the Public Works Committee at its May 5th, 2026, meeting. The rate increase packet presented to the Finance/Personnel Ad Hoc Committee is attached.

Background

The Village of Allouez established a Storm Water Utility Ordinance in September 2003 to provide an equitable way to fund storm water system costs. The utility covers storm water operations and maintenance, capital improvements, and other costs required to comply with federal and state storm water management mandates.

ERUs

Storm water rates are based on ERUs (Equivalent Residential Units or Equivalent Runoff Units). A single ERU is based on the impervious surface area (rooftops, patios, porches, driveways, and sidewalks) of a typical single-family home parcel. Most single-family home parcels are charged one ERU per month. With limited exceptions, non-single-family home parcels have ERUs calculated based on the impervious surface of the property resulting in varying ERUs being charged.

Rate Increase

Prior to the 2024 ERU rate increase, the Village completed a study to confirm that impervious surface areas were accurately identified and billed. Although the review resulted in some adjustments, it did not significantly increase the total number of billed ERUs. As the utility's negative cash balance continued to grow, the rate analysis supported an ERU rate of \$11.50. Instead, the Village set the rate at \$10.50 and transferred \$200,000 in American Rescue Plan Act (ARPA) funds to strengthen the utility's financial position, anticipating that another rate increase would likely be needed within a couple of years.

Staff recommends that the Village Board approve an ERU rate of \$11.50, a \$1.00 per month increase for a typical single-family home parcel, effective with June 2026 usage billed in July. This increase is expected to help the utility build positive cash reserves while covering rising operating and debt service costs.

STORM WATER UTILITY RATE INCREASE - 2026

Storm water utility charges are based on ERUs (Equivalent Residential Units). The current ERU rate is \$10.50, so most single-family parcels are billed \$10.50 per month for storm water utility fees. With limited exceptions, most non-single-family home parcels have ERUs calculated based on the impervious surface of the parcel; as such, the number of ERUs varies for these parcels.

Storm water ERUs were increased to \$10.50/month in 2024. Prior to this, the Village contracted for a study of all impervious surface areas to determine that all areas were accounted for and billed accordingly. While some adjustments were made, there was no significant change in the total number of ERUs billed. With little to no growth in the total number of ERUs, the rate per ERU needs to increase to allow for sufficient cash flows to fund the storm water utility operations and maintenance costs as well as debt service for financing storm water utility infrastructure projects.

At the time of the ERU rate increase in 2024, the storm water utility was operating with negative cash. While an increase greater than \$10.50 per ERU was needed to bring about a positive cash flow, the decision was made to transfer \$200,000 in American Rescue Plan Act (ARPA) funds into the utility to help offset the negative cash, increase the ERU rate to \$10.50 and increase the ERU rate again in a couple of years.

An increase in the ERU rate from \$10.50 to \$11.50 is being proposed. This results in an increase of \$1.00 per month for parcels with a single-family home.

Ilage of Allouez - Storm Water Utility

	ERU from \$7.50 to \$10.50 June 2024			Projected 2026				
	Actual			Budget 2026	\$10.50	\$11.50 - June	Projected 2027	Projected 2028
	2023	2024	2025					
OPERATING REVENUES								
User charges	\$ 672,226	\$ 828,690	\$ 943,415	\$ 934,000	\$ 936,240	\$ 988,190	\$ 1,025,340	\$ 1,025,340
Storm water lateral inspections	1,900	1,200	3,451	1,500	1,500	1,500	1,500	1,500
Storm water management site reviews	-	-	4,994	2,000	2,000	2,000	2,000	2,000
Erosion control reviews	450	394	5,950	1,000	1,000	1,000	1,000	1,000
Fee in lieu of treatment charges	-	-	-	1,000	1,000	1,000	1,000	1,000
Other (2023 PCB settlement)	17,414	-	-	-	-	-	-	-
Total operating revenues	691,990	830,284	957,810	939,500	941,740	993,690	1,030,840	1,030,840
OPERATING EXPENSES								
Operation and maintenance								
Engineering	72,516	66,444	61,578	119,535	119,535	119,535	125,512	131,787
Public works administration	40,748	43,658	45,478	46,939	46,939	46,939	49,286	51,750
Street cleaning	77,214	76,369	80,877	80,451	80,451	80,451	82,865	85,350
Storm sewer	188,409	215,112	235,874	225,695	225,695	225,695	232,466	239,440
Locates	13,751	13,683	14,659	8,646	8,646	8,646	8,905	9,173
Storm lateral inspections	82	91	111	818	818	818	843	868
Storm water treatment	20,903	14,222	25,669	15,000	15,000	15,000	15,450	15,914
Leaf collection	8,563	3,590	4,248	4,395	4,395	4,395	4,527	4,663
LeBrun road/farm	1,800	-	-	-	-	-	-	-
GASB adjustments (WRS/OPEB)	12,293	(1,275)	6,326	-	-	-	-	-
Total operation and maintenance	436,279	431,894	474,820	501,479	501,479	501,479	519,853	538,944
Depreciation	239,688	242,798	259,875	245,000	260,000	260,000	265,000	265,000
Total operating expenses	675,967	674,692	734,695	746,479	761,479	761,479	784,853	803,944
OPERATING INCOME	16,023	155,592	223,115	193,021	180,261	232,211	245,987	226,896
CASH FLOW ADJUSTMENTS								
Depreciation	239,688	242,798	259,875	245,000	260,000	260,000	265,000	265,000
Debt service	(422,694)	(419,381)	(352,321)	(385,100)	(385,100)	(385,100)	(396,206)	(383,356)
All other	(12,962)	(114,999)	71,522	16,791	23,537	23,537	21,298	20,171
Total cash flow adjustments	(195,968)	(291,582)	(20,924)	(123,309)	(101,563)	(101,563)	(109,908)	(98,185)
PROJECTED CASH FLOW	(179,945)	(135,990)	202,191	69,712	78,698	130,648	136,079	128,711
STIMATED CASH BALANCES								
Cash - beginning of year	\$ (126,625)	\$ (306,570)	\$ (242,560)	\$ (40,369)	\$ (40,369)	\$ (40,369)	\$ 90,279	\$ 226,358
Projected cash flow activity	(179,945)	(135,990)	202,191	69,712	78,698	130,648	136,079	128,711
ARPA proceeds to offset negative cash balance	-	200,000	-	-	-	-	-	-
Debt service allowance	-	-	-	-	-	-	-	(50,000)
Cash - end of year	\$ (306,570)	\$ (242,560)	\$ (40,369)	\$ 29,343	\$ 38,329	\$ 90,279	\$ 226,358	\$ 305,069
ERUs		7415		7415	7430	7430	7430	7430

Net Revenues	\$ 255,711	\$ 398,390	\$ 482,990	\$ 438,021	\$ 440,261	\$ 492,211	\$ 510,987	\$ 491,896
Debt Coverage	0.60	0.95	1.37	1.14	1.14	1.28	1.29	1.28

SANITARY SEWER RATE COMPARISON (MONTHLY)

April 27, 2026

RESIDENTIAL- MONTHLY

(Current)	(Proposed)	Fixed Charge for a 3/4" Meter						
Allouez	Allouez	Green Bay	Suamico	Bellevue	De Pere	Howard	Ashwaubenon	Ledgeview
13.50	14.40	19.70	6.16	11.32	10.97	9.00	9.61	7.75

(Current)	(Proposed)	Volume Charge (per 1,000 gallons)						
Allouez	Allouez	Green Bay	Suamico	Bellevue	De Pere	Howard	Ashwaubenon	Ledgeview
8.46	9.08	8.25	10.88	8.60	8.10	8.30	7.94	4.96

(Current)	(Proposed)	Total Sewer Charge (3/4" Fixed + 3,000 gals Volume)						
Allouez	Allouez	Green Bay	Suamico	Bellevue	De Pere	Howard	Ashwaubenon	Ledgeview
38.88	41.64	44.45	38.80	37.12	35.27	33.90	33.43	22.63

STORMWATER RATE COMPARISON**RESIDENTIAL**

(Current)	(Proposed)	ERU Rate - Monthly						
Allouez	Allouez	Green Bay	Suamico	Bellevue	De Pere *	Howard	Ashwaubenon	Ledgeview *
10.50	11.50	11.37	3.34	6.00	10.17	6.90	6.88	9.17

(Current)	(Proposed)	ERU Rate - Annual						
Allouez	Allouez	Green Bay	Suamico	Bellevue	De Pere	Howard	Ashwaubenon	Ledgeview
126.00	138.00	136.44	40.08	72.00	122.04	82.80	82.52	110.00

* Rates per those gathered for 2024 comparison