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PSC approves water rate changes

Total water bills to increase by 14.7% this fall, 15.4% next year

The Wisconsin Public Service Commission (PSC) approved a two-step rate increase in the water supply portion of Waukesha water bills Wednesday, as construction of the city's new water supply project is nearing completion. Increases will take effect October 1 and appear in the bills received by Waukesha Water Utility customers in early November, the utility said.

A typical residential customer can expect an increase on their **total** water bill of \$15 per month, or 14.7%. This would increase the total bill for water, sewer and return flow from \$102 to \$117. The increase a year later would be an additional \$18 per month, or 15.4%, on the total bill. Typical residential customers average 4,000 gallons of water use per month.

The utility said a misunderstood bill insert received in July led some customers to expect much larger increases. "Your total water bill has three parts to it – water supply, wastewater and return flow," according to Dan Duchniak, the general manager of the water utility. "The PSC only regulates the water supply portion, which is less than half your current total bill."

The July bill insert was a legally required notice that the state regulators were considering increases of 42% for this year and 35% for next year on the water supply portion of the bill. "Understandably, some customers assumed that their total water bills would go up by those percentages. In fact, it is just the water supply portion," Duchniak said. "We sent a second insert to help clarify that."

The utility said rates are increasing this year and next as the bulk of the costs of building the infrastructure needed for the new Lake Michigan water supply are reflected in customer bills, along with the ongoing costs of maintaining and operating the water utility.

The PSC also approved an expansion of the fire protection fee to additional residents within the utility's water service area. An estimated 1,430 additional lots in the utility's service area that receive fire protection from nearby hydrants will be subject to the Fire Protection Fee with the change. Those are lots where water service is available but not connected, such as vacant lots, outlots and those with private wells.

"A number of lot owners who don't have or use water service from us still receive fire protection from our hydrants and water mains," said Dan Duchniak, general manager of the Waukesha Water Utility. "It is only fair that they share in the costs of that protection, which we are obligated to provide." He said the change will provide a small benefit to existing customers of the utility who pay for fire protection on their water bills.

Duchniak said the rate increases continue to be on target with projections made at the start of the project in 2016 and in a 2018 mailing to city residents about total water costs. He said most water supply costs will be paid off with low-interest federal loans at 1.16% for 38 years, ensuring that future water users share in the costs.

Duchniak noted that some of the increasing costs of water can be offset by reducing water softening costs. “Most users of Lake Michigan water don’t use softeners because it is at least 60% softer than our current groundwater supply. Families will be able to save substantial amounts by optimizing or eliminating their water softeners,” he said. For more information on water softeners, including city requirements, see waukesha-wi.gov/watersoftener.

Information to help customers prepare for the transition – expected to occur in September – can be found at the Water Transition link at www.Waukesha-water.com, in bill inserts and on social media.

Long-term use of Waukesha’s current groundwater supply is environmentally unsustainable. In addition, the water supply is contaminated with naturally occurring radium. Waukesha must be in full compliance with federal drinking water standards for radium this fall. Duchniak said the city spent years studying the water supply problem and concluded that a Lake Michigan water supply was the most cost-effective option.

Waukesha Mayor Shawn Reilly said, “Waukesha cannot thrive without a healthy water supply. We are proud to finally be achieving our goal of providing reliable water for the long term to our families and businesses. I am grateful that current and past city leaders recognized that there was no do-nothing option.”

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