

## New Rates and Conservation Rate Structure Frequently Asked Questions

July 14, 2008

### General Questions

#### **Why is there a rate increase?**

As with much of the economy, the cost of operating and maintaining reliable water and wastewater systems has gone up. The Public Utilities Department is facing higher energy and material costs in daily operations and higher construction costs in needed upgrades to our facilities. The money needed to cover these costs only comes from customers paying for the water they use, so we have had to raise rates.

#### **We're using less water but it costs more. Why?**

There are fixed costs in operating and maintaining the water and wastewater systems, regardless of how much water is used. Most of the cost to run the system does not decrease when people use less water. The money needed to cover these costs comes from customers paying for the water they use. When you use less water, the Public Utilities Department does not take in as much money, so rates have to increase to ensure enough revenue.

#### **How can I reduce my water bill?**

You only pay for the water that you use, so by using less water you will pay less. With the new rate structure, if you keep your water use within your Winter Average amount (Annual Average for non-residential customers), you will pay the lowest rate and help keep your costs down.

#### **Why is there a new rate structure?**

To reduce water usage when total water usage is at its highest in summer months. Reducing and leveling out peaks helps reduce stress on the system and protect water supplies during the hottest weather. This new structure is designed to encourage people to conserve water.

#### **Will this new rate structure really help?**

Yes. It is designed to encourage water conservation and projected to reduce water use by 1 million gallons a day during peak summer months.

#### **Why are there tiered rates?**

The tiered rates are designed to be as fair as possible while encouraging water conservation. With tiered rates, the people who use more than their winter/annual average amount of water will pay more.

#### **What is the base rate?**

The base rate is the cost of water per thousand gallons in Tier 1.

#### **Why is there a monthly customer service fee?**

This is not a new fee. What used to be called the "base charge" on your bill is now called a monthly customer service fee. It covers the overhead costs for meter reading, meter maintenance and billing operations.

## Residential Customers

### **What is a Winter Average?**

The Winter Average is the average amount of water used during December, January, February and March of 2005-2006 or 100 gallons a day (based on a 2-person household with an average use of 50 gallons a day per person) multiplied by the number of days in the billing cycle, whichever is greater. The minimum Winter Average is 3,000 gallons.

### **Why use a Winter Average?**

Winter months are the time of year when most households use their minimum amount of water - mostly on essential uses such as drinking, bathing, and cooking. Basing rates on the Winter Average encourages customers to stay closer to their essential winter water use during the summer in order to reduce peak demands on the water system and protect water supplies during the hottest weather.

### **Will my Winter Average change every year?**

Your Winter Average will be retained for 2 years.

### **Why wasn't last year used for my Winter Average?**

Due to the severe drought in 2007, everyone was using much less water than they typically use. Basing your Winter Average on 2007 would mean a much lower average, which would result in more of your water billed in the higher tiers at higher rates. It is more equitable to base the Winter Average on a year of typical water use.

### **What if I am a new customer and didn't receive a water bill during winter 2005-2006?**

If you didn't receive a water bill in winter 2005-2006, your Winter Average will be 3,000 gallons. This is based on a 2-person household with an average use of 50 gallons a day per person (100 gallons total per day). If you have more than two people in your household, you can request an adjustment.

### **How can I get my Winter Average adjusted?**

You can request an adjustment by providing proof of how many people live in your home full-time. To do so, you must complete and submit a Water Service Request and Affidavit form to the Water Business Office at 596 Prince Avenue or the Water Business Satellite Office at 1055 Gaines School Road, Suite 110. Forms are available at both offices.

### **Does the minimum Winter Average of 3,000 gallons mean that I will be billed for a minimum of 3,000 gallons each month?**

No. It means that your water rates will be calculated using a minimum Winter Average of 3,000. For example, if your Winter Average is 3,000 gallons and you use only 1,500 gallons, those 1,500 gallons will be billed at the Tier 1 rate.

### **I have an irrigation meter; how am I charged for outdoor water use?**

Outdoor water use meter readings have been combined with indoor use in calculating your Winter Average. Your outdoor water use will be combined with your indoor water use for billing every month. However, your sewer charges are based only on your indoor water use.

### **How does this rate structure affect my sewer bill?**

The new structure will charge for sewer services based on 100% of the water delivered to a residential customer. Sewer services are charged on a rate per 1,000 gallons. There are no tiered sewer rates.

### **Why is my sewer bill higher now?**

The base rate for sewer services has increased. In addition, the previous charge for sewer service was based on 80% of the water delivered to you; now you are being charged for 100% of the water you use.

## **Non- Residential Customers**

### **Why use an Annual Average?**

Water consumption by non-residential customers is typically more consistent throughout the year. The Annual Average best represents their base line of water use.

### **What if I am a new non-residential customer and didn't receive a water bill in 2006?**

If you are a new non-residential customer, provide the following information to the Water Business Office or the Water Business Satellite Office to have your Annual Average calculated:

- Type of business
- Number of employees
- Facility square footage
- Anticipated or historical monthly water use

### **Will my Annual Average change every year?**

Your Annual Average will be retained for two years.

### **I have an irrigation meter; how am I charged for outdoor water use?**

Outdoor water use meter readings for non-residential customers will be billed in Tier 4.

### **Does this rate structure affect my sewer bill?**

No. For non-residential customers, sewer services will continue to be charged at 100% of the water delivered. Sewer charges are simply based on a rate per 1,000 gallons. There are no tiered sewer rates.