

Water and Sewer Rate History

The Water and Sewer Rate Model was modified by City Council as part of a water/sewer study it conducted during the first half of 2009. The rate model was modified for several reasons. First, the Council wanted to address the ability to cover at least a portion of the depreciation expense incurred by the Water/Sewer Enterprise Fund. Depreciation funds pay for repair and replacement of equipment and infrastructure.

Second, Council wanted to simplify the model that the City currently uses. The new model is less complicated as it offers:

- The same monthly customer charge for all users;
- Rate increases are spread over a two year period;
- The bill is now based on how much the user consumes;
- The use per gallon is varied only by customer classification.

This model was adopted to be used for a two year period to take effect with the first full month of service after July 1, 2009.

This model breaks down the rate structure into three user groups for water (residential, commercial, and bulk users). All user groups will pay a flat monthly customer charge of \$25 a month. The charge per gallon is .00442 per gallon or \$4.42 per 1,000 gallons for residential users. The charge per gallon is .01140 per gallon or \$11.40 per 1,000 gallons for commercial users. And the charge per gallon for bulk water haulers is .01269 per gallon or \$12.69 per 1,000 gallons. The amount each user group pays per gallon reflects the percentage of all water consumed in that user group.

For sewer charges the model breaks down the rate structure into two user groups residential and commercial. All user groups will pay a flat monthly customer charge of \$20 a month. The charge per gallon is .00997 per gallon, or \$9.97 per 1,000 gallons for residential users. The charge per gallon is .01264 per gallon or \$12.64 per 1,000 gallons for commercial users.

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