

## **2010 UTILITY RATE INFORMATION**

We are proposing changes to both water and sewer charges to cover the costs of service and needed improvements to our infrastructure. These are the water rates for the past two years and proposed:

| <b>2009 WATER RATES:</b>                | <b>INSIDE CITY</b> | <b>OUTSIDE CITY</b> |
|---|--------------------|---------------------|
| Base rate to 4,000 gal.-all meter sizes | \$15.90            | \$27.75             |
| 4,001-7,000 gal.                        | 1.35               | 1.85                |
| 7001-10,000 gal.                        | 1.55               | 2.15                |
| 10,001-13,000 gal.                      | 1.65               | 2.30                |
| 13,001-16,000 gal.                      | 1.75               | 2.45                |
| 16,001-25,000 gal.                      | 1.90               | 2.65                |
| 25,001-35,000 gal.                      | 2.00               | 2.80                |
| 35,001-50,001 gal.                      | 2.20               | 3.05                |
| 50,001 gal. and up                      | 2.50               | 3.40                |

| <b>CURRENT WATER RATES:</b>       | <b>INSIDE CITY</b> | <b>OUTSIDE CITY</b> |
|-----------------------------------|--------------------|---------------------|
| <b>BASE RATE—UP TO 2,000 GAL.</b> |                    |                     |
| Base rate for 5/8" meter:         | \$9.80             | \$10.50             |
| For 1" meter                      | 25.00              | 26.50               |
| For 1 ½" meter                    | 50.00              | 52.50               |
| For 2" meter                      | 80.00              | 84.00               |
| For 3" meter                      | 100.00             | 105.00              |
| For 4" meter                      | 250.00             | 262.50              |
| For 6" meter                      | 500.00             | 525.00              |
| <b>COST PER 1,000 GALLONS:</b>    |                    |                     |
| 2,001-10,000                      | \$1.75             | \$1.85              |
| 10,001-20,000                     | 1.90               | 2.00                |
| 20,001-40,000                     | 2.10               | 2.25                |
| 40,001-70,000                     | 2.30               | 2.45                |
| 70,001-100,000                    | 2.50               | 2.65                |
| 100,001 and up                    | 2.70               | 2.85                |

| <b>PROPOSED WATER RATES:</b>      | <b>INSIDE CITY</b> | <b>OUTSIDE CITY</b> |
|-----------------------------------|--------------------|---------------------|
| <b>BASE RATE—UP TO 2,000 GAL.</b> |                    |                     |
| For 5/8" meter                    | \$13.50            | \$23.50             |
| Other sizes same as 2009 rates    |                    |                     |
| <b>COST PER 1,000 GALLONS:</b>    |                    |                     |
| 2,001-10,000                      | \$1.75             | \$1.90              |
| 10,001-20,000                     | 1.90               | 2.05                |
| 20,001-40,000                     | 2.15               | 2.25                |
| 40,001-70,000                     | 2.40               | 2.50                |
| 70,001-100,000                    | 2.70               | 2.80                |
| 100,000 and up                    | 3.05               | 3.15                |

These are the sewer rates for the past two years and proposed:

**2009 SEWER RATES:**

|  | INSIDE CITY | OUTSIDE CITY |
|--|-------------|--------------|
| Base rate  | \$20.55     | \$27.50      |
| Charge per 1,000 gallons<br>(Based on Nov.-Feb. average use) | 2.00        | 2.20         |

**CURRENT SEWER RATES:**

|   | INSIDE CITY | OUTSIDE CITY |
|---|-------------|--------------|
| Base rate   | \$14.25     | \$14.75      |
| Charge per 1,000 gallons<br>(Varies monthly, at 60% of use) | 1.95        | 2.05         |

**PROPOSED SEWER RATES:**

|                                | INSIDE CITY | OUTSIDE CITY |
|--------------------------------|-------------|--------------|
| Base Rate                      | \$18.00     | \$19.00      |
| <b>COST PER 1,000 GALLONS:</b> |             |              |
| 0-10,000                       | \$1.65      | \$1.80       |
| 10,000-20,000                  | 1.80        | 1.95         |
| 20,001-40,000                  | 1.95        | 2.10         |
| 40,001-70,000                  | 2.15        | 2.30         |
| 70,001-100,000                 | 2.35        | 2.50         |
| 100,001 and up                 | 2.60        | 2.75         |

We are continuing upgrades to both the water and wastewater systems and trying to most fairly charge for those essential services. Last year we changed the methods for calculating water and sewer use and miscalculated the amount needed in the base rate, leading to losses this year, especially given the several months of rain we had. Since, on average for the past year, 82% of our utility customers used less than 10,000 gallons of water per month, the base rates must be sufficient to cover the bulk of our expenses in both water and sewer. There is no accurate method for measuring the amount of water that enters our sewer lines, so I am recommending to Council that we allow customers to add a second tap at their address, for the next twelve months only, at material cost. That would be \$600 for a ¾" water tap and \$700 for a 1" water tap. Customers who want to irrigate, especially any considerable amount, could then have a separate meter for the outside use and not pay sewer charges on that water use. The costs for producing water and treating sewage are only going to increase over time, so the fairest way for those who want to water any large amount outside to pay only for services used is to have the outside water use on its own meter.