

EXPLANATION OF WATER RATES AND CHARGES

Q. How Is My Monthly Water Bill Determined?

A. Fees for water services are comprised of two components (Base Amount and Volume Charges). The base amount is determined by the size of your water meter. The larger the meter size, the larger the base amount of the bill. That difference is because larger meters are more expensive and a larger meter requires the City to increase its system capacity larger to provide more water per second. Volume charges are determined by the amount of water used. Residential customers pay volume charges on a tiered structure where unit prices are higher as more water is used. Water is metered and measured in 100 Cubic Feet increments. Your bill will indicate how many units of 100 Cubic Feet increments are billed based on the current and previous meter readings. Each unit of water is 100 Cubic Feet or 748 gallons.

Q. What Are The Current Base Charges?

A. For typical residential homes with 5/8 inch meters, the current base charge is \$17.91 per month. For larger residential properties served with 1 inch meters, the current base charge is \$36.28 per month.

Q. What Are The Current Volume Charges?

- A. First 2 Units of Water Used (1,496 gallons) = \$3.64 per unit
- Next 8 Units of Water Used (5,984 gallons) = \$3.81 per unit
- Next 10 Units of Water Used (7,480 gallons) = \$3.99 per unit
- Next 20 Units of Water Used (14,960 gallons) = \$4.36 per unit

Q. What Is The Current Residential Average Water Usage Per Month?

A. 5 Units

Q. What Are Some Examples Of Monthly Water Bill Amounts?

- A. A residential water customer with a 5/8 inch meter and:
 - 2 units of water (1,496 gallons) = \$ 25.19
 - 5 units of water (3,740 gallons) = \$ 40.43
 - 10 units of water (7,480 gallons) = \$ 55.67
 - 20 units of water (14,960 gallons) = \$ 95.57
 - 30 units of water (22,440 gallons) = \$139.17

Q. What Happens To The Rates During A Drought?

A. During periods of drought, the City will announce that drought restrictions are in place and assign a drought stage. As drought stages are triggered, surcharges for water use may be assessed. Water surcharges for use from residential domestic meters are assessed after exceeding 10 units of water in a month. Water surcharges for water use from meters for irrigation use only are assessed for each unit of water used. These surcharges are increased as the severity of the drought increases and higher drought stages are triggered. The intent of these surcharges is to discourage outside watering and to preserve water for health and safety purposes.

Q. What Happens To The Rates After A Drought?

A. Any surcharges that were put in place during a drought stage will be eliminated.

Q. The Current Water Rates Were Raised Because Water Usage Went Down, So Why Won't Rates Return To Pre-Drought Amounts When The Drought Ends?

A. There were several reasons that water rates were increased during this drought. The City borrowed \$13 million to pay for the construction of the Temporary Direct Potable Reuse Project and that loan will not be repaid for 20 years. The City borrowed \$33 million to begin the Permanent Indirect Potable Reuse Project and that loan will not be repaid for 30 years. The City's budget was increased by \$1 million annually to begin paying for permitting costs to construct Lake Ringgold to help with future droughts. It is expected that this money will continue to be required for 8 to 10 years. Rates were increased to help replenish nearly \$8 million of emergency reserves that were used during the drought when usage was at all-time lows. It will take several years to replenish those emergency reserve funds. Rates were also increased to pay for over \$4 million of repairs to water/sewer lines that were deferred during this drought when revenues were negatively affected by lower water sales. Finally, and probably most importantly, the existing rates are needed to help diminish future rate increases that will be needed when Lake Ringgold is permitted and construction begins.