

Water / Sewer Rates for 2011-2012

Annual water and sewer rate increases are necessary to keep pace with the increasing costs of operating the City of Midland water and sewer systems. Operating costs associated with water treatment and distribution, and sewer collection and treatment have continued to rise: specifically, costs for energy, testing and analysis, and chemicals. Through costs-savings measures and a stable revenue stream, sewer rates will remain flat for fiscal year 2011-12.

To help offset increases in water operating costs, the adopted 2011-12 Water Fund budget reflects a water rate increase of 2.0% per metered service.

Rates Effective July 1, 2011

Water (New!)

RTS: The Readiness-to-Serve charge is a fixed rate that is charged per quarter on each metered water service. New rates are as follows:

<u>Metered Service</u>	<u>Amount</u>
5/8" – 3/4"	\$33.44
1"	\$43.47
1- 1/2"	\$53.51
2"	\$86.95
3"	\$334.41
4"	\$434.74
6"	\$635.38
8"	\$902.92

Variable: For each 1,000 gallons of water used per quarter, the cost is **\$1.25**.

Sewer

RTS: The Readiness-to-Serve charge per quarter on each metered water service is as follows:

<u>Metered Service</u>	<u>Amount</u>
5/8" – 3/4"	\$40.80
1"	\$53.04
1 – 1/2"	\$65.28
2"	\$106.08
3"	\$408.00
4"	\$530.40
6"	\$775.20
8"	\$1,101.60

Variable: For each 1,000 gallons of water used for sewer service each quarter, the cost is **\$1.96**.

RTS and Variable costs are added together and reflected as one rate on your water/sewer bill.

Typical Quarterly Residential Water and Sewer Bills

Water

	2010/11	2011/12	Change	
RTS 1"	\$ 42.71	\$ 43.47	\$ 0.76	1.8%
Commodity	\$ 1.22	\$ 1.25	\$ 0.03	2.5%

Water Bill:

5 units	\$ 48.81	\$ 49.72	\$ 0.91	1.9%
10 units	\$ 54.91	\$ 55.97	\$ 1.06	1.9%
15 units	\$ 61.01	\$ 62.22	\$ 1.21	2.0%
20 units	\$ 67.11	\$ 68.47	\$ 1.36	2.0%

Sewer

	2010/11	2011/12	Change	
RTS 1"	\$ 53.04	\$ 53.04	\$ -	0.0%
Commodity	\$ 1.96	\$ 1.96	\$ -	0.0%

Sewer Bill:

5 units	\$ 62.84	\$ 62.84	\$ -	0.0%
10 units	\$ 72.64	\$ 72.64	\$ -	0.0%
15 units	\$ 82.44	\$ 82.44	\$ -	0.0%
20 units	\$ 92.25	\$ 92.25	\$ -	0.0%

* Winter Quarter Averaging

Combined Water & Sewer Bills

	<u>2010/11</u>	<u>2011/12</u>	<u>Change</u>	
Combined Bill:				
5 units	\$ 111.65	\$ 112.56	\$ 0.91	0.8%
10 units	\$ 127.55	\$ 128.61	\$ 1.06	0.8%
15 units	\$ 143.45	\$ 144.66	\$ 1.21	0.8%
20 units	\$ 159.36	\$ 160.72	\$ 1.36	0.9%

How the City's Water and Sewer Systems are Funded

- Fixed costs are used to determine the Readiness-to-Serve component of your bill, and is a fixed amount regardless of water usage.
 - Fixed costs cover City expenses such as debt service, capital improvements to the water and sewer systems, and other non-operating expenses.
- Variable costs are used to determine the Commodity charge, and is determined by the volume of water used.
 - Variable costs cover City expenses pertaining to administration, operations, maintenance and any unforeseen situations that may require funding (contingencies).
 - Usage is represented by Units or (1,000 gallons).