

Water / Sewer Rate Increases for 2009-2010

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.

To help offset these increases in operations costs, the adopted 2009-10 Water Fund budget reflects a water rate increase of 3.0% per metered service, and the Wastewater Fund budget reflects a sewer rate increase of 5.0% per service.

New Rates Effective July 1, 2009

Water

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"	\$31.93
1"	\$41.51
1- 1/2"	\$51.09
2"	\$83.02
3"	\$319.30
4"	\$415.09
6"	\$606.67
8"	\$862.11

Variable: For each 1,000 gallons of water used per quarter, the cost is **\$1.18**.

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"	\$38.80
1"	\$50.44
1 – 1/2"	\$62.08
2"	\$100.88
3"	\$388.00
4"	\$504.40
6"	\$737.20
8"	\$1,047.60

Variable: For each 1,000 gallons of water used for sewer service each quarter, the cost is **\$1.87**.

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 Rates Comparison

	2008/09	2009/10	Change	
RTS 1"	\$ 40.37	\$ 41.51	\$ 1.14	2.8%
Commodity	\$ 1.14	\$ 1.18	\$ 0.04	3.5%
Water Bill:				
5 units	\$ 46.07	\$ 47.41	\$ 1.34	2.9%
10 units	\$ 51.77	\$ 53.31	\$ 1.54	3.0%
15 units	\$ 57.47	\$ 59.21	\$ 1.74	3.0%
20 units	\$ 63.17	\$ 65.11	\$ 1.94	3.0%

Sewer Rates Comparison

	2008/09	2009/10	Change	
RTS 1"	\$ 48.26	\$ 50.44	\$ 2.18	4.5%
Commodity	\$ 1.77	\$ 1.87	\$ 0.10	5.6%
Sewer Bill:				
5 units	\$ 57.11	\$ 59.79	\$ 2.68	4.7%
10 units	\$ 65.96	\$ 69.14	\$ 3.18	4.8%
15 units	\$ 74.81	\$ 78.49	\$ 3.68	4.9%
20 units	\$ 83.66	\$ 87.85	\$ 4.19	5.0%

* Winter Quarter Averaging

Combined Water & Sewer Bills

	<u>2008/09</u>	<u>2009/10</u>	<u>Change</u>	
Combined Bill:				
5 units	\$ 103.18	\$ 107.20	\$ 4.02	3.9%
10 units	\$ 117.73	\$ 122.45	\$ 4.72	4.0%
15 units	\$ 132.28	\$ 137.70	\$ 5.42	4.1%
20 units	\$ 146.83	\$ 152.96	\$ 6.13	4.2%

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).