

At the 04/15 2013 Budget Workshop the council decided that they were unhappy with the rate structures for Water/sewer and Trash. I volunteered to form a committee to get back to the council (preferably before the start of the next fiscal year, July 1). The next day Mark Fratrick and I came up with a list of people who could help, bearing in mind that we expected to meet at least once a week for the next 4 to 6 weeks. To try to be as representative as possible the following people were asked and accepted. The team started work the first week of May.

Mark Fratrick - Village Administrator and person responsible for the Village budget.

Ray Keen - Public Works Director, knows all about the running of the plant and trash issues.

Neal King - resident and Mayor.

April Bender - resident and also condo owner at the Powderhorn.

Dick Duffy - resident, member of P & Z, retired civil engineer.

Kent Forte - manager of the Edelweiss, represents 31 condo owners and a restaurant.

Henry Caldwell - represents condo owners in Amizette.

There has since been comments that this group is not representative in that no part-time residents were included. With the timetable and schedule for this task I did not think that was possible. Also I think this group represented the interests of just about everyone unless you think that condo owners are not part-time residents. Bottom line I think the team had the best interests of the entire village, not just any group. Please see the blog 'Involving more residents' for a discussion on solutions.

This team met once a week for the next few weeks to try and come up with a fair method for billing both water/sewer and trash. There was much discussion on the problems associated with declaring residences (homes and condos) as commercial use. How do you determine who rents? How do you do it in a block of condo units that has one shared meter? Another point was basing trash rates on water usage, obviously the amount of water used bears no relationship to the amount of trash generated by a customer. We revisited the rationale of using an EQR (Equivalent Residential Use) units as a basis for rates. One EQR equates to 1500 galls of water per month, the figure used as a standard for a family of two in most engineering studies. Changing this value seemed to favor either high end users or low end users. This figure is used to calculate initial impact of new users to the system before we have any history for their real use and helps in estimating the number of new users our system can accommodate.

It became clear once we looked at the numbers that:

a) There should be no difference in billing rates for commercial versus residences. The plant does not care, everything is mixed by the time it is treated and how can you fairly distinguish whether a residence is used for 'commercial' purposes. The primary consideration is the number of galls used, not the source or purpose.

b) Basically we should be charging people for what they use.

c) The fixed charge per month would be based on a users usage history not on a theoretical figure of what they could use.

d) Trash rates needed to be calculated on trash generated by a customer. No reasonable means of measuring this could be found so it was decided to search the internet for studies or tables generated by other municipalities.

The team finished their work and reported the following at a workshop on 06/02/2013. The changes were accepted and approved by the council so that they could come into effect starting the new fiscal year.

The village staff started preparing for the new rates (billing software changes, double checking

all user accounts etc). Right at the end of July staff noticed that the data used to calculate 2013/2014 rates was from 2010/2011 and not 2011/2012. Recalculation for the correct year came up with a shortfall of almost a million galls (10,183,147 to 9,124,663). This would result in a shortfall of approx \$60K, not a good thing for the Village budget. Rather than bill at the approved rate for one month and have the council consider altering the rates at the scheduled September meeting it was decided to hold a non scheduled meeting at the earliest opportunity, State law says that all meetings must be posted 72 hrs in advance which ruled out the normal Aug 6th meeting.

A non scheduled meeting was set for Aug 8th, as posted and discussed at the Aug 6th meeting. The only topic for this meeting was a discussion and vote on a rate change. Basically the council was presented with four options.

- 1) Do nothing and face the likelihood of being \$60K short for the coming year.
- 2) Raise the fixed charge to roughly \$60 per EQR.
- 3) Raise fixed and usage.
- 4) Raise usage to 0.04 from 0.032 \$/gall.

Option (1) was deemed too risky. Option (2) favored big users too much. Option (4) seemed the fairest as it would affect low gallon users the least and was passed.

So in a nutshell this is where it now stands.

- 1) We have one fixed rate for all users. \$51 per EQR , the number of EQRs per user is based on their past history. This will be reviewed yearly so if you double the seats in your restaurant or rent out your home more it will be reflected in your next year's fixed rate. Genuine water leaks will not affect your rate.
- 2) We have one usage rate of .04 \$/gall, the more you use the more you pay.
- 3) Most residences (condos or homes) went down a little. Businesses that use a lot of water went up considerably, businesses that conserve went down.

Village budget will assume that we will have a poor year and make certain that we cover our costs. This will be based on history so if the trend for less water usage continues we will make adjustments. Unless your water usage changes dramatically your rates and bills should remain as stable as we can make them.