

FAQs

Water and Sewer Rates

How are water rates established?

A computer model is used to calculate water rates based on what it costs to provide water. In short, customers pay for the total cost of providing water. This includes the power cost used to run the plant, the chemicals used to treat the water, the cost and repair of underground water pipes, equipment maintenance and repair costs, personnel (who must be specially trained and licensed,) and the debt payments made on loans to build and maintain the system. All totaled, **production costs** to provide water (not sewer) this year will be **\$1,567,669**.

How is my water bill calculated?

Water bills are comprised of two different rates: A minimum charge and a per usage charge.

Minimum charge: The minimum charge is a fixed dollar amount that every customer pays regardless of how much water they use. Think of it as what you pay for simply having water service available to you whether you use any water or not. The minimum charge ensures every resident pays the same basic amount for having the service available to them. The minimum charge is used to cover a portion of the production costs the city incurs to provide water to its citizens.

Per Usage Charge: The per-usage charge (also known as the per gallon charge) is what you pay based on the amount of water you use. Whereas the minimum charge is the same fixed dollar amount that every customer pays, the per-usage charge varies from customer to customer depending on how much water you use in a given billing cycle. In short, the more water you use, the higher your per-usage charge. This rate ensures that those who use more pay more. The per-usage charge covers the remainder of the production costs not captured in the minimum charge.

How are sewer rates established?

As with water, sewer rates are established by using a computer model that calculates rates based on what it costs to provide the service. Customers pay for all the costs incurred to provide sewer service. This includes the power costs, chemical costs, repair and maintenance costs, personnel costs, and the cost and repair of the hundreds of miles of transmission lines needed to transport waste from your home to the treatment plant. Moreover rates cover payment of debt the city incurred to build, expand and maintain the system. All totaled, **production costs** to provide sewer this year will be **\$913,426**.

How is my sewer bill calculated?

Sewer bills are calculated by applying a minimum charge and per usage charge against the number of gallons of water you use.

Minimum charge: The minimum charge is a flat dollar amount that every customer pays. Once again think of it as what you pay for simply having the service available to you whether you use it or not. The minimum charge covers a portion of the production costs the city incurs to provide sewer service to its citizens.

Per Usage Charge: The per-usage charge is based on the amount of water you use. In short, the more water you use, the higher your per-usage sewer charge. This rate ensures that those who use more pay more. The per-usage charge also covers the remainder of the production costs not captured in the minimum charge.

Where does the city get its water?

The city produces on average around 600,000 gallons per day. In order to stave off another water shortage, approximately half of the daily production is derived from Mark Twain Lake by way of the Clarence Cannon Wholesale Water District. The city currently pays around \$35,000 per month for this service. The remainder of our water is produced locally and is derived from the two city lakes which lie just outside the city.

How does our water system work?

Water received from Clarence Cannon WWD, comes already treated and enters our system ready for consumption. Water produced locally is pumped from the city lakes to the water treatment plant where it is chemically treated before being sent to one of the three water storage tanks, where it sits ready for use. The water towers alternate dispensing the water into the system in order to keep the water fresh and free of bacteria. In total the city maintains over 100 miles of pipe to get the water from the city lakes to the treatment plant, and from the treatment plant to the more than 1,300 homes and businesses inside and outside the city. Many of these pipes are nearly as old as the city itself, making them prone to cracks and breakage. Where possible clamps are used to repair these old pipes, but in time roads must be dug up and old pipes replaced with pipes made with newer more modern materials. The replacement cost includes not only the cost of materials, but the cost of road repairs, machinery, manpower, engineering and the extraordinary safety precautions that are part of the process. All of these costs get factored into water rates.

Will rates always go up?

As the City continues to make much needed upgrades to its water system users can expect to see slight increases for the foreseeable future. On average future increases are expected to be relatively small, in the 2 to 5 percent range.

How can I keep my water bill low?

Conservation is perhaps the most important step you can take to keeping your monthly water bill low. Among the things you can do: Fix leaking faucets and toilets that run-on; use reduced-water showerheads; where practical convert to low-water toilets, washers and dishwashers; eliminate water run-on when washing hands and dishes.

Projected Water Expenses:

Billing and Administration:

\$46,716

Water Pumping and Purification (Excl'd Labor, CCWWC)	\$51,900
Labor (incl'd fringe benefits)	\$442,640
Maintenance Totals	\$10,200
Replacement Costs	\$28,945
Chemicals	\$47,500
Utilities (excl'd those captured in Pump and Purificatn)	\$3,000
Liability Ins	\$22,000
Professional Services (excl'd labor)	\$1,500
Supplies totals (excl'd chemical costs)	\$36,250
Loan received from Park Fund	\$50,000
Debt service USDA Loan	\$100,000
Debt Service 2003 Bonds	\$277,016
CCWWC Contract payments	<u>\$450,000</u>
TOTAL	\$1,567,669

Projected Sewer Expenses:

Billing and Administration:	\$30,900
Utilities	\$90,000
Labor	\$298,423
Maintenance	\$27,500
Replacement costs	\$15,000
Debt service	\$346,078
Liability Ins	\$3,000
Inflow/Infiltration Reduction Prog	\$5,000
Services (excl'd labor)	\$24,550
Supplies	\$39,975
Line replacement reserve	\$15,000
Replacement cost reserve	<u>\$18,000</u>
TOTAL	\$913,426