

Keeping You Informed - Future Water Billing January 2015

As you know, since the installation of our new water delivery system, we have been working towards a new water billing process based on members' actual water usage. The Water Committee has been meeting on a regular basis to establish fair water rates and usage "tiers" that will sustain our water system operation costs. As a Washington State non-profit organization we cannot make a profit but must be able to cover all our expenses which includes reserves. As you can imagine, that is a little tricky since the cost of operations will vary over time. In order to establish a fair system of rates we have collected a years worth of actual usage through monthly meter readings to see how much water each of our members is actually using on a daily, monthly and quarterly basis.

In the Spring, members will receive a "sample" water bill based on their actual usage for a given quarter. The intent of this bill is twofold: 1) To show your actual water consumption which could indicate a need for future water conservation, and 2) To give you a view of the Base fee and Tiered usage levels that will be in effect once the new water billing begins. Remember, this will be a sample bill for information only and will not require any payment from you.

The Base fee and tiered usage rates are common among all public water utilities and cover the administration and operating costs that go into maintaining our water system. Some consistent expenses covered by our fee schedule are: auditor, reserve study requirements, contract manager and water testing, Insurance, billing and mailing costs, excise taxes, repair parts and labor costs, State testing and inspections, water system maintenance and service requirements, wages for Administration and Water Distribution Manager, legal fees, reserves, and utilities.

Your water bill will contain elements that will look something like this:

TIER WATER USAGE (Average Daily Gallons per Month - ADG/M)

Base Fee:	0 to xxx ADG	\$ xx month
Tier 1:	xxx to xxx ADG	\$.x per gallon/month
Tier 2:	xxx to xxx ADG	\$.xx per gallon/month
Tier 3:	Over xxx ADG	\$.xxx per gallon/month

Average daily gallons per month will be used to calculate usage because the number of days between meter readings will vary each month. This occurs because we have part time office and water department employees and will help to keep member's bills more consistent. The cost per average gallon will increase with each tier to fulfill one of our state requirements to encourage water conservation. The sample bill will also contain additional information; i.e. water connection address, HMC member number, billing address, time period this water usage covers, and the USDA Loan fee if applicable to your membership. The USDA Loan fee will remain the same (\$44.55 billed quarterly) as it has since the inception of our loan in April 2013.

This is just a first look for your benefit. The actual rates and/or tiers may change based on new information that is received over the next several months. It is our intent to give you an advanced view of what your new water bill will contain. The Water Committee also intends to hold a Membership meeting in the Spring to further explain the upcoming change to our water billing system.