

HMC Membership Meeting

New Process for Billing Water

April 11, 2015



History

- WA State mandate to install water meters and implement conservation measures
- New water delivery system construction completed in 2012 and funded by USDA loan beginning in May 2013
- Individual meters installed at each assessable unit
- A full year of monthly meter readings was collected for each water connection. (Some members have multiple water connections)
- HMC water connections – 402 total (5 HMC – 397 Member)

The Facts

- HMC is a Washington State Non-Profit Corporation. We cannot make a profit from our water revenues, but income from billings must be sufficient to sustain our water system operating costs.
- Annual Water Budget will determine water billing rates and may vary from year to year.
- Water will continue to be billed quarterly based on your average usage and tiered at different levels to meet state conservation regulations.
- A Base Fee will apply to all water connections to cover operating costs, including Reserves now and into the future.

The Numbers

Tiered Water Usage – Average Daily Gallons per Month (ADG/M)

Base Fee:	0 to 150 ADG	\$ 18.00 per month
Tier 1:	151 to 400 ADG	\$.07 per ADG/month
Tier 2	401 to 800 ADG	\$.14 per ADG/month
Tier 3	Over 801 ADG	\$.21 per ADG/month

Average Daily Gallons per month will be used to calculate usage because the number of days between meter readings can vary each month.

The Numbers

Base Fee includes:

- Wages for administration and HMC Water Distribution Manager
- Repair and maintenance costs (including labor)
- Contract manager including monthly water testing (NW Water Systems)
- Billing and mailing costs
- Electrical costs
- Excise taxes
- Insurance
- State reporting requirements
- Reserves
- Reserve Study requirements
- Legal fees
- Auditor Costs

How We Developed the Usage Tiers

- The data collected over the last year revealed wide fluctuation levels of usage across the membership. (Full time members vs. part time members and summer time vs. winter time provided the total picture.)
- The Base Fee was established using all water membership connections and includes the first 150 gallons of consumption . The goal was to establish fair rates for a diverse population of water users.
- Three tier levels were created based on real usage data taking into consideration that higher water consumption should be billed at a higher rate to encourage conservation.
- State mandated conservation requirements dictate the need for these tiers.

Water Charge Detail

Quarterly Charge Details Report Date: 2/28/2015

See Billing Statement for Payments, Other Charges, and Total Amount Due

Service		Meter Readings		Consumption	Average Daily
From	To	Previous	Current	Gallons	Gallons
10/6/14	11/4/14	197360	209128	11768	406
11/4/14	12/16/14	209128	228714	19586	466
12/16/14	1/15/15	228714	242138	13424	447

Water Charge Detail

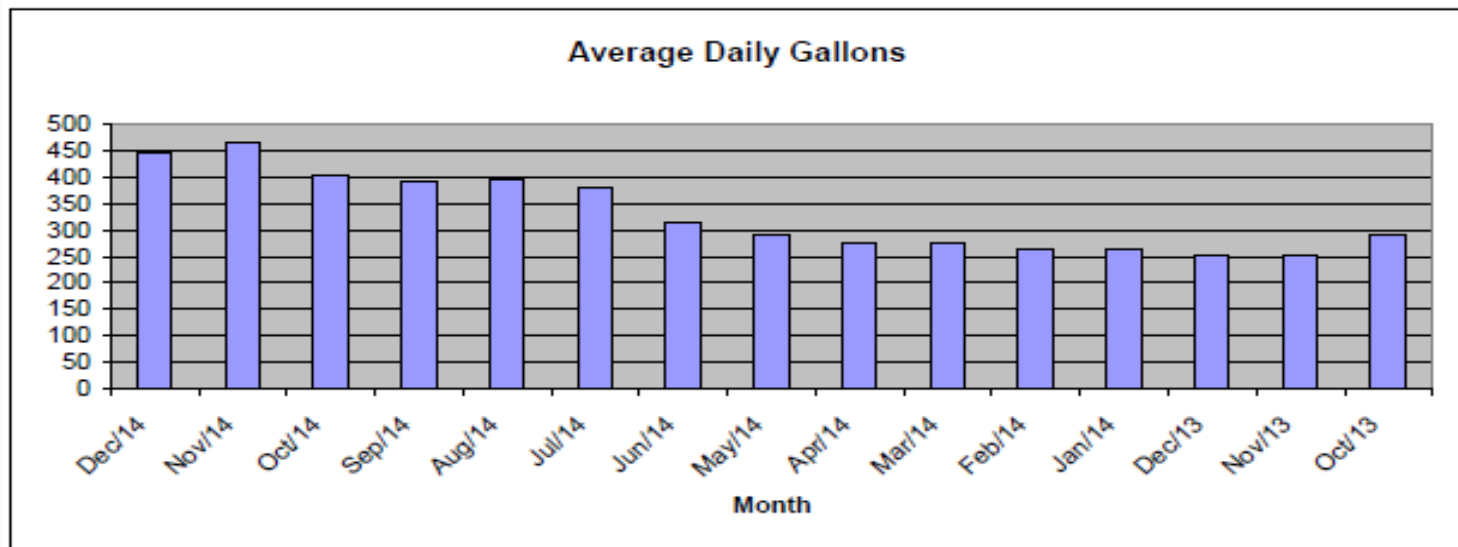
Water Charge Detail		Month Ending			Quarter Totals
	Rate/ Month	11/4/2014	12/16/2014	1/15/2015	
Base Fee	\$18.00	\$18.00	\$18.00	\$18.00	\$54.00
Tier1:151 to 400 Average Daily Gallons	\$0.07	\$17.50	\$17.50	\$17.50	
Tier2:401 to 800 Average Daily Gallons	\$0.14	\$0.84	\$9.24	\$6.58	
Tier3:Over 800 Average Daily Gallons	\$0.21	\$0.00	\$0.00	\$0.00	
Total Usage Fee		\$18.34	\$26.74	\$24.08	\$69.16
USDA Loan Payment	\$14.85	\$14.85	\$14.85	\$14.85	\$44.55
Total Charges		\$51.19	\$59.59	\$56.93	\$167.71

Water Charge Detail

Average Daily Usage History

Date	1/15/2015	12/16/2014	11/4/2014	10/6/2014	9/4/2014	8/5/2014	7/3/2014	6/5/2014
Average Daily Gallons	447.4666667	466	406	393	397	380	315	291

Date	6/5/2014	5/9/2014	4/7/2014	3/6/2014	2/5/2014	1/7/2014	12/3/2013	11/8/2013
Average Daily Gallons	314.5	291	274	274	265	265	253	254



Water Charge Detail

Charge detail will also contain:

- HMC Member number
- Water connection/s and service addresses
- Your actual monthly water consumption
- Time period this water usage covers
- USDA Loan fee - \$44.55 (if applicable to your Membership)
- Charted usage history

Quarterly Water Bill

Your quarterly water bill could also contain other charges (if applicable):

For example:

- Past Due charges
- Hook-up Fees
- Late Fees
- Shut off Fees
- Etc.

NOTE: The total amount due will be shown on your Billing Statement

Reminder

Water bills carry the same obligations as regular or special assessments. Members are subject to late fees if payment is not received by the due date. Water payment delinquencies are handled the same way as other delinquencies and can result in denial of ferry access in accordance with the established delinquency policy as defined in HMC governing documents.



Questions?