



Algonia Municipal Utilities

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March 26, 2019

Dear Valued AMU Water Customer:

New water rates recently approved by the AMU Board of Trustees reflect AMU's commitment to provide quality water through a well-maintained treatment and distribution system. AMU's treatment and distribution system requires upgrades, and maintenance for the increased demand for water and fire protection throughout Algonia.

2019 Water Rate Components

1. **Customer Service Charge:** This charge is based on the size of water meter(s) at the customer location. The Customer Service Charge reflects costs associated with serving customers regardless of the amount of water they use. This minimal increase is \$0.03/100 cubic feet (748 gallons).
2. **Metered Water Charge:** This charge reflects the costs of owning and operating the water system, which varies with the quantity of water produced. This minimal increase is \$0.90 to \$1.87 per month per meter for most residential customers.
3. **Infrastructure Reinvestment Fee (IRF).** The IRF is a new fee in 2019 and will be used for new infrastructure or the replacement/renewal of old infrastructure nearing the end of its useful life. There continues to be a significant number of unmet water infrastructure needs that are important to improve the system and avoid unnecessarily high costs due to emergency shutdowns and repairs.

With annual water rate increases, we have not been able to generate enough revenues to cover the cost of all infrastructure improvements. The IRF will be used to make necessary improvements in your water system. Implementation of the new IRF in May 2019 will not be enough to cover immediate needs. As a result, we will finance a portion of the improvements. This financing helps spread the cost over several years reducing the impact on water rates.

The average residential customer using 800 cubic feet per month will see an increase of approximately \$4.65/month/meter for customers with a 5/8" x 3/4" water meter, and \$9.65/month/meter for customers with a 1" water meter. The impact on other customers depends on usage and the size of water meter.

I have included the new water rates on the back of this letter. The new rates will be effective with water billed approximately May 10, 2019. Please contact me if you have any questions or comments.

Sincerely,

John Bilsten
General Manager

Water Rates
Effective with the May 10, 2019 Billing

Metered Water Rates	Present Rate		New Rate -- May 2019	
For all cubic feet	\$ 2.83	per 100 cubic feet	\$ 2.86	per 100 cubic feet
Customer Service Charge:				
5/8 inch x 3/4 inch meter	\$ 10.60	per month	\$ 11.50	per month
1 inch meter	\$ 22.63	per month	\$ 24.50	per month
1 1/4 inch meter	\$ 26.03	per month	\$ 28.20	per month
1 1/2 inch meter	\$ 29.98	per month	\$ 32.50	per month
2 inch meter	\$ 45.15	per month	\$ 48.90	per month
3 inch meter	\$ 75.13	per month	\$ 81.40	per month
4 inch meter	\$ 143.78	per month	\$ 155.70	per month
6 inch meter	\$ 515.16	per month	\$ 557.95	per month
Infrastructure Reinvestment Fee:				
5/8 inch x 3/4 inch meter	\$ -	per month	\$ 3.50	per month
1 inch meter	\$ -	per month	\$ 7.50	per month
1 1/4 inch meter	\$ -	per month	\$ 8.60	per month
1 1/2 inch meter	\$ -	per month	\$ 9.90	per month
2 inch meter	\$ -	per month	\$ 14.90	per month
3 inch meter	\$ -	per month	\$ 24.80	per month
4 inch meter	\$ -	per month	\$ 47.50	per month
6 inch meter	\$ -	per month	\$ 170.10	per month
Tapping Fee:				
1 inch service	\$100 Plus Actual Costs		\$150 Plus Actual Costs	
1 1/4 inch service	\$100 Plus Actual Costs		\$150 Plus Actual Costs	
1 1/2 inch service	\$100 Plus Actual Costs		\$150 Plus Actual Costs	
2 inch service	\$100 Plus Actual Costs		\$150 Plus Actual Costs	
4 inch service	\$100 Plus Actual Costs		\$150 Plus Actual Costs	
6 inch service	\$100 Plus Actual Costs		\$150 Plus Actual Costs	
8 inch service	\$100 Plus Actual Costs		\$150 Plus Actual Costs	
Bulk Water Sales:				
1000 GALLONS	\$ 7.00		\$ 8.50	
Private Fire Connection Annual Surcharge:				
4" Service Connection	\$ 262.50	per year	\$ 310.00	per year
6" Service Connection	\$ 462.00	per year	\$ 625.00	per year
8" Service Connection	\$ 725.00	per year	\$ 935.00	per year
Public Fire Protection				
	\$ 10.00	per month/hydrant	\$ 13.00	per month/hydrant

Delayed Payment: 1.5% added 20 days after billing date.