

# Oak Park Water & Sewer Rates

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# Blended Rate Structure Justification

- ❑ The City's blended water and sewer rate is devised to ensure that we are charging adequate rates to fund the maintenance and operation of the systems.
- ❑ In order to make sure the City is not charging inadequate rates, we hired a professional consulting firm that is the preeminent regional authority on rate structure.
  - ❑ The results of that study recommended a 7% blended rate increase for the first 3 years (through FY 2018-19)
  - ❑ In an effort to be as equitable as possible to our residents, the City only passed on a 4.25% in FY 2015-16, and has decided to only pass on a 6 %, 4.5%, and 7% blended rate increase for Fiscal Years 2017-18, 2018-19, and 2019-20.
  - ❑ **As an example, a minimum bill (0-5 Units of water) with the 6% water and sewer blended rate increase (as well as the solid waste increase) results in a \$6.52 increase:**

2016-17 rates:

Water	\$19.66
Sewer	\$36.92
Meter	\$4.74
G&R	\$32.00
<b>Total</b>	<b>\$93.32</b>

2017-18 rates:

Water	\$20.05
Sewer	\$39.85
Meter	\$4.74
G&R	\$35.20
<b>Total</b>	<b>\$99.84</b>





# What Comprises Your Rates?

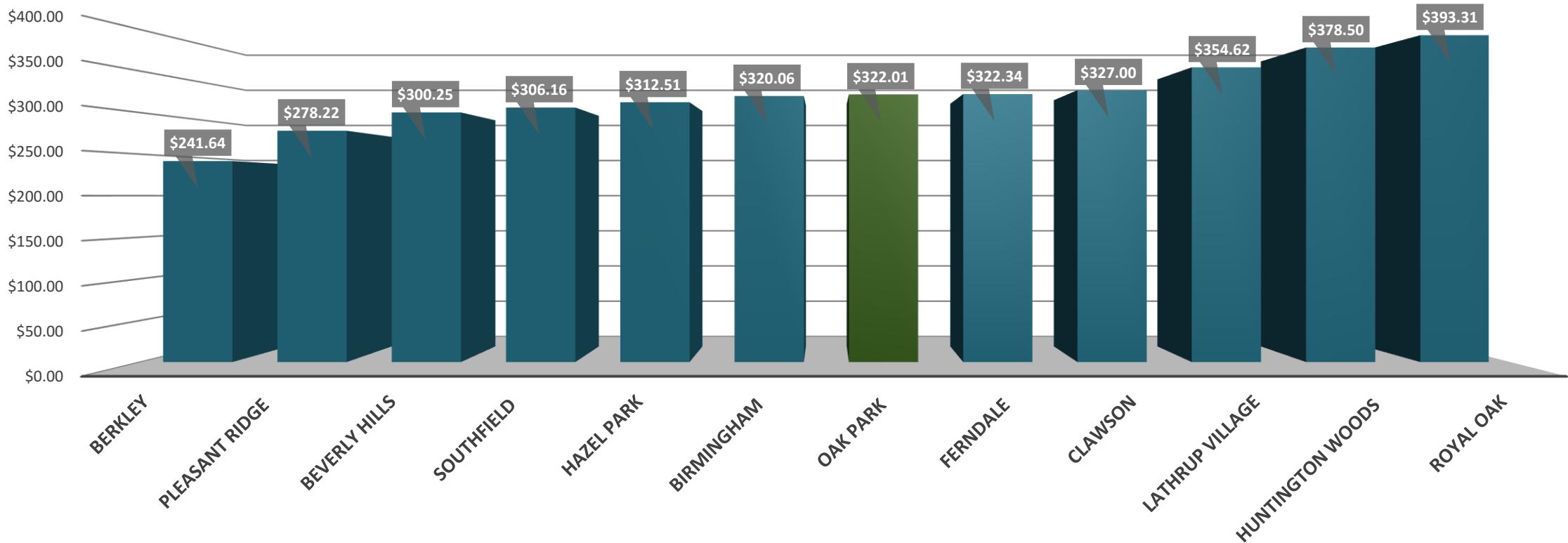
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- Cost of administration, capital improvements, and maintenance for our system
- Water loss (i.e water main breaks, leaks, fire hydrant usage, etc.)
- Water and Sewer Fund balance required for guarding against unforeseen circumstances, i.e., water main breaks, lawsuits, bankruptcies, etc.
- Water usage/consumption
- Annual rate increases passed on to the City from the Great Lakes Water Authority (water) and Oakland County (sewer)
- Cost to debt service our portion of the bonds issued for the Kuhn Drain project (mandated by Court Order)
- Solid Waste Fee (G&R)

# Water & Sewer Blended Rate Comparison



Comparison of SE Oakland County 2016 Water & Sewer rates:  
Avg. Cost based on 3,000 cu.ft/quarter



# Capital Improvement Projects Planned Over the Next Six Years

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Water Main Maintenance/Replacement	\$4,930,000
Machinery and Equipment	\$352,250
Buildings/Property Upkeep & Repair	\$9,250
Sewer Lining/Repairs	\$3,000,000
Concrete Repair	\$825,000
Total:	<u>\$9,116,500</u>

# Why are these Capital Improvement Projects Important?



Preventative maintenance of our infrastructure reduces the risk of catastrophic system failures.



**Officials say Macomb County's massive sinkhole is expected to cost at least \$78 million but could exceed \$100 million to fix.**

# Why Do We Have a Fund Balance in the Water and Sewer Fund?



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By reinvesting in our infrastructure the City is doing what it can to guard against system failures, but water main breaks and catastrophic events are still possible. It is critical that the City has a fund balance to safeguard against unforeseen circumstances.

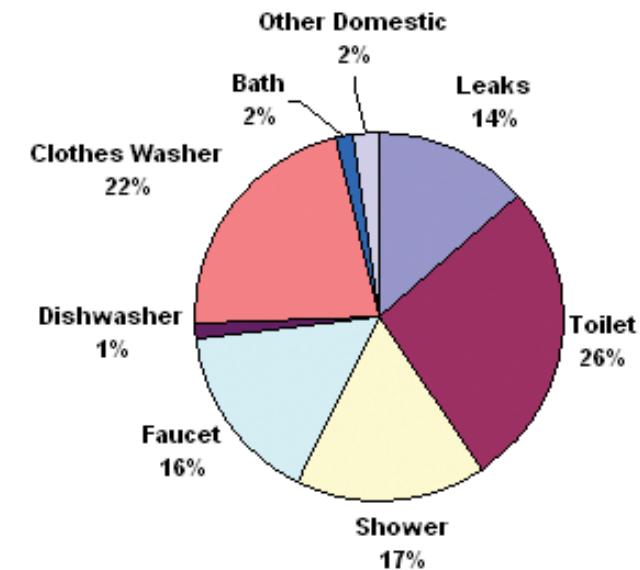


# How Can You Bring Down Your Cost at Home?



- ❑ **Check often for leaks.** Running toilets & dripping faucets can be costly! Catching a leak early can save you money!
  - ❑ For more information on how to check for leaks please visit the City's website at <http://bit.ly/ResidentialWaterConcerns> or visit the Water Division located at 14000 Oak Park Blvd, Oak Park, MI.
- ❑ **Shorten shower times and turn off water while brushing your teeth.** This can help lower your usage while also preserving water for our environment.
- ❑ **You can easily read your own meter and keep track of your water usage.** Call the Water Division for instructions at (248) 691-7470.
- ❑ **Turn off water when needed.** Shutoff valves are located near your water meter. They are easy to turn on and off if you have an emergency or need to make repairs. Call the Water Division at (248) 691-7470 if you have any questions.

## INDOOR WATER USE



# What is the City Doing To Help You Manage Your Costs?

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- Reevaluating our entry into WRAP (Water Residential Assistance Program), designed to assist qualifying low-income customers
- Allow one late charge removed per calendar year
- Offer payment plans
- Offer prepayment options. Instead of waiting for a three month bill, choose your own amount, send us a payment, and we'll apply it to your account. By the time your three month bill is issued, you will have already paid towards it!
- Residents can contact the Water Division and request assistance in checking for leaks at (248) 691-7470
  - Please note: DPW staff members are not authorized to perform any repairs on residential plumbing fixtures