

To President and members of the Board
From Robert J. Kennedy
Date 3/14/18
Subject Request for Water and Waste Water Rate Study

I would like for the Board to authorize a follow-on study of possible revenue neutral refinements to our water and waste water rate design.

I believe in general that our current rate design is appropriate but with minor changes could result in significant benefits to both our customers and the BPW.

I would like to have our rate consultant evaluate basing our waste water rates (at least for residential customers) on the average winter water usage and not on 80% of total monthly usage. The average winter water usage would be the maximum value for waste water charges regardless of what the total water use would be in any other month.

Such a rate design is used throughout the country and would result in a fairer, more equitable way to charge for waste water service.

It would also have the additional benefit of doing away with the need for having a separate tariff for irrigation service since, under this revised waste water tariff, water used for irrigation would not influence or increase a customer's waste water bill - the principal reason for the irrigation tariff.

By eliminating the need for an irrigation tariff, our investment in meters, meter reading and billing expense would also be reduced.

Customers who currently are irrigation customers could remain on the irrigation tariff if they wished but the tariff should be closed to new customers

If agreeable with the Board I would like to work with the General Manager in drafting the solicitation letter.

PRELIMINARY BOARD DOCUMENT