

## FOR BOARD ACTION

Agenda Item # 8

Meeting Date:

2/23/10

**SUBJECT:**

Approval of Water Conservation Rates

**PREPARED BY:**

Susan Parker, Director of Corporate Services

ITEM DESCRIPTION:

As required by Minnesota Statute 103G.291, subd 4., RPU is implementing water conservation rates. Discussions on the water conservation rates have taken place over the past several months including several opportunities for public comment.

At the last board meeting staff was directed to publish the proposed three tier residential structure and the commercial irrigation rates. The proposed tariff is attached for review.

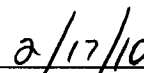
FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

Not Applicable

UTILITY BOARD ACTION REQUESTED:

The Board is requested to approve and recommend that the City Council approve a resolution for the implementation of the proposed water conservation rates effective April 1, 2010 .

  
General Manager

  
Date

**ROCHESTER PUBLIC UTILITIES**

**ROCHESTER PUBLIC UTILITIES  
(RPU)**

**RATE SCHEDULE WTR-C  
SHEET 1 OF 1**

WATER SERVICE

**AVAILABILITY:** At all locations within the Rochester City limits and at locations external to the City limits, that have been authorized by the Rochester Common Council.

**MONTHLY RATE:**

<u>Customer Charge:</u>	<u>Size of Meter</u>	<u>Rate</u>
	5/8"	\$ 5.26
	3/4"	\$ 7.48
	1"	\$ 12.02
	1-1/2"	\$ 23.21
	2"	\$ 36.63
	3"	\$ 68.15
	4"	\$ 113.06
	6"	\$ 225.36
	8"	\$ 405.03

<u>Commodity Charge:</u>	<u>Rate/CCF</u>
Residential:	
0 - 7 CCF	69.2¢
7.01 - 12 CCF	76.1¢
12.01 and over CCF	87.5¢
Commercial:	69.2¢
Industrial:	69.2¢
Interdepartmental:	69.2¢
Irrigation Meter (All Classes):	87.5¢

NOTE: Customers whose service is taken outside the Rochester city limits with individual water systems not connected to the City water system shall have a rate of 2.0 times the customer and commodity charges.

**MINIMUM BILL:** Applicable monthly customer charge according to size of meter provided.

**PAYMENT:** Payments are due on or before the due date.

**CONDITIONS OF DELIVERY:**

1. Service furnished under this rate schedule is subject to connection policies of the Rochester City Council.
2. Service furnished under this rate schedule is subject to provisions of RPU's Water Service Rules and Regulations.
3. RPU shall not be liable for damage or loss sustained by customer in conjunction with taking service under this rate.
4. Water furnished under this rate shall not be resold.

Approved by Rochester Public Utility Board:  
Effective Date:

February 23, 2010  
April 1, 2010



## **RESOLUTION**

WHEREAS, Minnesota law, as found in Minnesota Statutes, Section 103G.291, subd. 4, requires public water suppliers serving more than 1,000 people adopt a water rate schedule that encourages water conservation; and,

WHEREAS, the City of Rochester is a public water supplier that serves more than 1,000 people and, as such, is strictly required by Minnesota law to adopt a water rate schedule that encourages water conservation; and,

WHEREAS, the Public Utility Board's water rate consultant, Progressive Consulting Engineers, Inc., prepared a study, dated October, 2009, identifying different forms of water conservation rates to comply with the state statute; and,

WHEREAS, the Public Utility Board published in the local newspaper a notice to the public on water conservation rates and, on September 26, 2009, placed a notice on the RPU website for a September 29, 2009, public meeting on the subject; and,

WHEREAS, on September 29, 2009, and October 27, 2009, presentations were made on the scope of the water conservation rates, impact on various customers and expected revenue to the water utility; and,

WHEREAS, on October 27, 2009, the Public Utility Board decided to continue discussion and accept the rate consultant's cost of service study for information only; and,

WHEREAS, the Public Utility Board requested staff to provide additional steps for the inclining block rates for Board review at the December 17, 2009 meeting; and,

WHEREAS, the Public Utility Board continued review and receipt of public input at the January 26, 2010 board meeting.

WHEREAS, the Utility Board also believes that funding, developing and implementing a comprehensive educational program is critical to creating an ethic of water efficiency; and,

WHEREAS, the Utility Board also believes that funding, developing and implementing a sustainable set of coordinated incentive/rebate programs is critical to this conservation effort; and,

WHEREAS, the Utility Board supports a review of the effectiveness of this conservation effort at twelve and twenty-four months from the date of its implementation;

NOW, THEREFORE, BE IT RESOLVED by the Public Utility Board of the City of Rochester, that the Board approves a water conservation rate tariff in accordance with the attached rate schedule WTR-C;

BE IT FURTHER RESOLVED that comprehensive education and incentive/rebate programs are put into place and that a future review of the conservation effectiveness is conducted; and,



BE IT FURTHER RESOLVED that the Common Council of the said City is requested approve a water conservation rate tariff and the attached water rate schedule WTR-C.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 23<sup>rd</sup> day of February, 2010.

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President

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Secretary