

**CITY OF ROCKFORD, MINNESOTA TOWN HALL MEETING
ROCKFORD FIRE STATION 6:00 P.M., THURSDAY, SEPTEMBER 4TH, 2014
6700 MAIN STREET, ROCKFORD, MINNESOTA 55373**

The City of Rockford implemented the current Water and Wastewater rate increases effective July 15th, 2014 which were applied to the August utility bills.

- The **water rate** increased from \$3.34 per 1,000 gallons to \$5.54 per 1,000 gallons used. A base rate was also established at \$4.95 per unit. The mandatory minimum bill of 3,000 gallons per account was eliminated.
- The **wastewater rate** increased from \$5.40 per 1,000 gallons to \$7.45 per 1,000 gallons used. The base rate of \$4.25 was increased to \$4.95 per unit. The averaging of water used per month between November 15th through April 15th which was then billed as the wastewater monthly gallons used between April 16th and November 14th was discontinued.

While these increases were necessary to balance the city's utility budgets in the coming years, they have also proved burdensome to our residents and are not equitable for people using high amounts of water outside the home. In an effort to address these hardships, but still maintain balanced utility budgets, the City Council will review these recommended rate changes at the Tuesday, September 9th, 2014 Council Meeting. These proposed changes would be implemented retroactively to the August billing statements and new bills would be issued to all Rockford residents and business.

EFFECTIVE IMMEDIATELY:

- 1) Return to wastewater averaging method and continue through December 31st, 2014.
- 2) Keep base rates as currently established; \$4.95 for both utilities.
- 3) Roll back wastewater rate to previous rate of \$5.40 per 1,000 gallons used through December 31st, 2014.
- 4) Reduce water rate to \$4.54, an increase of \$1.20 per 1,000 gallons used, through December 31st, 2014.

AS OF JANUARY 1, 2015:

- 1) End averaging of wastewater use.
- 2) Increase wastewater rate to \$6.45, an increase of \$1.05 per 1,000 gallons used, through December 31st, 2015.

AS OF JANUARY 1, 2016 - and subject to change due to budget conditions:

- 1) Review water utility budget, likely will need to increase water rate to \$5.54 per 1,000 gallons used. This is the current rate reflected in the last utility bills.
- 2) Review wastewater budget, likely will need to increase wastewater rate to \$7.45 per 1,000 gallons used. This is the current rate reflected in the last utility bills.

ADDITIONAL CHANGES TO ADDRESS OUTDOOR WATER USE AND IMPACT ON WASTEWATER BILLING:

- 1) Effective immediately, people can purchase sprinkler deduct meters, including the radio read component, at the total price of \$150 per unit. The city will also provide meters immediately and offer the ability to pay for the meter in monthly utility bills with the cost spread out over a 12 month period. The city would begin the billing for meters received on January 1, 2015. All meters must be purchased or signed up for billed purchase by December 31st, 2014. On or after January 1, 2015, the city will charge our cost on all deduct meters and radios, which is \$300 per combined unit. Meters not provided by the city will not work with our billing system.
- 2) The city is able to waive the permit fee for installation of new meters if a licensed plumber installs the meters. Estimated costs for the installation of new meters based upon the four plumbers estimates provided to us, is \$300 to \$500 per residence, this will vary based upon each residence.

NOTES MOVING FORWARD:

- If you have already paid your utility bill for August, or if you have already purchased a sprinkler deduct meter, you will be credited the amount of any overpayment on your future utility bills.
- The water utility will only cover operating expenses for 2014 and 2015 under the proposed rate structure for those years. We will likely need to increase the water rate as proposed as of January, 2016 to have any depreciation funding for future capital improvements, major repairs or major equipment replacement.
- The wastewater utility covers operating expenses and funds half of the scheduled depreciation for future capital improvements, major repairs or major equipment replacement under the proposed rate structure for 2014, with partial depreciation funded in 2015. Depreciation funding returns to half-funded status in 2016 with the additional proposed rate increase that year.
- It is important to note that the 2014 Utility Projects are not covered in the current depreciation schedules. This will increase our depreciation line items once the projects are completed and our auditors at Abdo, Eick and Meyers update our depreciation schedules during our 2014 audit.

Thank you for attending our Town Hall Meeting. Please contact City Hall with any questions, comments or concerns you may have. (763) 477-6565.