



# 2019-20 Utility Bill Fact Sheet

## Overview

Utility bills include four components:

1. Water and sewer usage charges (usage based)
2. Water and sewer ready-to-serve charge (flat fee)
3. Stormwater runoff treatment charge (flat fee based on parcel runoff factor)
4. Garbage pick-up user charges (flat fee)

This fact sheet provides information about water and sewer rates, storm water runoff charges, garbage pickup fees, and other commonly asked questions about the water and sewer system.

## Water and Garbage Pickup Rate Structure

The water rate structure is as follows:

Fixed Ready-to-Serve Charge .....	\$37.00 fixed fee per bill
Water Service Rate .....	\$41.75 per MCF <sup>1</sup> of water used
Sewage Disposal.....	\$33.33 per MCF of water used
Stormwater Runoff Charge.....	\$47.51 per ERU per bill
Garbage Pickup Fee .....	\$22.00 fixed fee per bill

## Water and Sewage Disposal Charge Explanation

Approximately 80% of the City’s total cost to maintain and operate the water and sewer system is fixed, and not tied to actual usage. In recent years, both Detroit Water and Sewer and the Oakland County Drain Commissioner have moved to fixed rate charges which they pass along to the City. In fact, a portion of the City’s water wholesale charges are now fixed based on a moving average of usage from previous years. This means that even if no homeowner or business used a single drop of water in the coming year, the City’s water fund would still have to pay the fixed water charges. The \$41.75/MCF water usage rate pays for the wholesale cost for water that the City pays, along with some of the costs of maintaining the water system.

It is a similar story for the \$33.33/MCF sewer treatment charge. The Oakland County Drain Commissioner now charges 100% of our sewer charges based on a 4-year moving average. This means that we are not billed for the actual amount of wastewater we send to the water treatment plant through our sewers in this year, but rather a flat fee based on an average of previous years. That average amount is used to calculate a fixed cost that we must pay this year, no matter how much or how little water we use in the current year.

## Ready-to-Serve Charge

The City’s water and sewer system is nearly 100 years old and requires annual maintenance and repairs. Those costs cannot be avoided if we are to provide safe and reliable water and sewer service. The cost to maintain and operate our system is entirely borne by the users of the system. The ready-to-serve charge covers a portion of the cost of maintenance, repairs, and upkeep to the pipes in the ground that allow us to deliver water to your house and to take waste water away through the drains.

<sup>1</sup> One MCF = 1,000 cubic feet of water, or about 7,500 gallons.



## Stormwater Runoff Charge

Pleasant Ridge has a combined sewer system, as do our neighboring communities. This means that all the stormwater that flows into the sewers from the streets during rain events mixes with sewage, and all the runoff must be treated before it flows out to the Red Run Drain, Clinton River and into the Great Lakes. This is very costly, accounting for over 25% of the total cost to operate the water and sewer system.

During wet weather events, all the City’s sewer flows are diverted away from the Detroit wastewater treatment plant and towards Oakland County’s George W. Kuhn (GWK) Combined Sewer Overflow (CSO) facility. In total, 12 cities’ combined sewer systems flow to the GWK facility and the costs to operate and maintain that facility are shared among the 12 communities in proportional amounts. Pleasant Ridge will pay Oakland County about \$360,000 during FY19-20 to operate and maintain the GWK facility.

To apportion the stormwater treatment cost among all the properties in the City, we use an Equivalent Residential Unit (ERU) methodology that allocates costs based on how much stormwater runoff each property is expected to generate. This is calculated based on the size of each property, and the amount of pervious and impervious surface on each property. For more information, refer to the Equivalent Residential Unit Apportionment Study available on the City’s website at: <https://cityofpleasantridge.org/wp-content/uploads/2018/02/Equivalent-Residential-Unit-Study-2017.pdf>.

## How Do Pleasant Ridge’s Water/Sewer Rates Compare?

Each year SOCWA, the Southern Oakland County Water Authority, conducts a rate study<sup>2</sup> for all member communities. The rate study provides a benchmark by which we can compare Pleasant Ridge’s water/sewer costs against our neighboring communities. The following table shows what the cost of one MCF of water would be for a customer who uses 4 MCF of water in each of the SOCWA communities. The SOCWA analysis includes all fixed and variable charges for each of the communities in the following average cost comparison.

COMMUNITY	2019 RATE	2018 RATE	2017 RATE	2016 RATE	2015 RATE	CHANGE 2015-2019
Huntington Woods	135.75	\$132.95	\$129.25	\$124.75	\$118.75	14.3%
Lathrup Village	124.30	\$123.07	\$121.27	\$119.10	\$119.22	4.3%
Southfield	124.59	\$118.69	\$103.82	\$101.70	\$95.10	31.0%
Clawson	113.96	\$117.65	\$112.97	\$112.12	\$106.27	7.2%
Royal Oak	120.10	\$116.21	\$134.91	\$133.14	\$128.83	-6.8%
<b>Average</b>	<b>109.70</b>	<b>\$107.06</b>	<b>\$104.84</b>	<b>\$100.83</b>	<b>\$98.63</b>	<b>11.2%</b>
Birmingham	108.73	\$106.43	\$100.75	\$106.27	\$99.17	9.6%
<b>PLEASANT RIDGE</b>	<b>106.77</b>	<b>\$103.09</b>	<b>\$101.50</b>	<b>\$99.45</b>	<b>\$112.20</b>	<b>-4.8%</b>
Beverly Hills	105.96	\$102.00	\$96.90	\$92.50	\$92.50	14.6%
Berkley	105.75	\$99.15	\$94.76	\$69.87	\$68.76	53.8%

The above table shows that Pleasant Ridge has below average water costs, and our costs in 2019 are 4.1% lower than they were in 2015, while the average water cost for all SOCWA communities increased 11.2% over that same period. However, with lead service line replacement being required by the State, Pleasant Ridge water costs will be rising in future years as we contend with the fact that we have to replace water service lines for nearly two-thirds of all water customers at public expense.

<sup>2</sup> <http://socwa.org/documents/2019%20Water%20Rate%20Survey.pdf>



## Does the City Allow Irrigation Meters?

A common question is whether the City allows second meters (sometimes called outdoor maintenance meters) for irrigation systems. The idea is that water used for irrigation does not flow into the sewers, and so the user should not be billed for it. However, the sewage treatment charges that City is billed by Oakland County and Detroit Water are fixed. This means that the water system has to bring in enough revenue to cover the sewage charges we are billed. Currently that is \$236,700 per year. If the City were to allow irrigation meters it would save money for residents who have high irrigation water usage but would require the sewer usage rate to drastically increase in order to bring in enough revenue to cover the sewage disposal cost.

Based on the above, Pleasant Ridge does not and has not allowed for irrigation meters because:

- They will cause everyone's sewer rates to increase
- They will benefit a minority of customers who install the irrigation meter first
- They redistribute costs of sewerage to customers who do not install a secondary meter
- They increase the potential for illegal meter cross-connections
- Potentially exacerbate groundwater contamination by changing groundwater flows

It should be noted that moving to an Equivalent Residential Unit flat-fee stormwater runoff charge has helped reduce costs for large water users who irrigate their lawns because the combined water usage rate has declined by nearly 30% from \$101.55 in 2014 to \$75.08 currently.

## Can I Monitor My Water Usage?

Yes, you can monitor your own water usage at the meter in your basement. In order to tell how much water you have used, first check your most recent bill. The numbers on your bill and the numbers shown on your meter head will match when meter reads are done.

To read your meter, locate the meter head in your basement and flip up the black plastic cap. Your meter head will look like the one in shown to the right. To obtain a meter read, read the numbers that look like a car's odometer from left to right, placing a decimal point after the third digit from the left. The final number in the read sequence is indicated by the red dial, rounded to the closest number.

In the photograph at right, the meter reading is 033.3453 (the first zero is dropped when the reading is printed on your bill). You can check how much water you have used during the current billing period by taking a read of the meter and subtracting the "current read" from your most recent bill.



If your water usage seems abnormally high, you can check to see if you have a leak somewhere in your house by turning off all water faucets and checking the blue star on the face of your meter dial. If the blue star is turning, water is moving through the meter. If you have all of your water faucets shut off in your house and the blue star is moving, you have a leak somewhere in your house. Common culprits include leaking toilets, dripping faucets, and furnace humidifiers with bad shut-off levers.

A dripping faucet can consume up to 15 gallons of water per day, which over the course of a month equals 0.06 MCF of water. That dripping faucet could cost you \$7.50 of water per month.