



CITIZEN'S GUIDE: UTILITY BILLS

Revised – September 27, 2023

General Information

When does the utility increase approved by City Council take effect?

On July 3, 2023, the City Council approved an increase to the utility rates and an addition of water and sewer ready-to-serve charges to cover system expenses. This takes effect July 15 and will be reflected in bills due in August.

The City changed the rate structure and rates based on the recommendations of a third-party consultant after a water and sewer rate study. Based on the large projects starting, the rate study recommended a ready-to-serve charge to guarantee the revenue to make our bond payments for the Water Treatment Plant (WTP), and Wastewater Treatment Plant (WWTP).

The total project cost for the WWTP project, including cost of financing, is approximately \$44,000,000. The City has worked hard to obtain as many grants and other funding as possible to lower the impact on the users. The City has secured 16% in grants and will be utilizing Local Development Financing Authority tax capture of 48%, leaving 36% of the cost to the users of the system.

The upgraded WWTP will provide an efficient, safe, and reliable plant to serve Mason residents for the next 40-50 years. Please note that this does not mean the city will never bypass again, but it does mean we will meet the States requirements to handle a 25 year/24-hour (3.9 inches of rain) storm event, limiting bypassing to extreme events.

The impact of this increase is as follows:

Rate Type	July 1, 2022	July 15, 2023
Water Charge – zero unit	\$2.92	\$0.00
Water Charge – per unit	\$5.12	\$8.75
Water Capital Improvement – per unit	\$3.62	\$0.00
Sewer Charge – zero units	\$4.77	\$0.00
Sewer Charge – per unit	\$7.22	\$9.25
Sewer Capital Improvement – per unit	\$0.97	\$0.00
Water Ready-to-Serve 5/8" Meter		\$10.00
Sewer Ready-to-Serve 5/8" Meter		\$17.00

How will the increase impact the average bill?

	July 1, 2023	July 15, 2023
1 Unit of Water (1,000 Gallons)	\$19.29	\$45.00
Average Home Use (4 Units)	\$70.08	\$99.00

How much has our bill increased over time?

Fiscal Year	4 Unit Bill	Rate Increase
11/12	40.94	No Increase
12/13	41.94	3.20%
13/14	41.94	No Increase
14/15	48.56	15.10%
15/16	49.30	1.50%
16/17	50.04	1.50%
17/18	50.80	2.00%
18/19	52.39	2.20%

19/20	52.39	No Increase
20/21	57.95	11.00%
21/22	62.59	8.00%
22/23	70.08	12.00%
23/24	99.00	13.00% Commodity Charge

How do our rates compare with other communities?

City/Township	Why	4 units total Water & Sewer
Grand Ledge	Population (7.7K)	\$124.91
Leslie	Location (1.9K)	\$113.03
St. Louis	Population (7.0K)	\$101.80
MASON	Population (8.2K)	\$99.00
Williamston	Location (3.8K)	\$98.00
Delhi Twp*	Location (27.7K)	\$93.69
Alma	Population (9.4K)	\$92.60
Lansing BW&L	Location (112.6K)	\$91.93
St. Johns	Population (7.6K)	\$90.64
Charlotte	Location (9.2K)	\$84.45
East Lansing	Location (47.7K)	\$82.33
Chelsea	Population (5.4K)	\$77.38
DeWitt*	Population (4.7K)	\$72.40
Howell	Population (10.K)	\$67.83

Please note: Every public utility is one-of-a-kind; from population and geographic location to water treatment necessities and the condition of their infrastructure. One provider may treat water for different minerals or compounds in their ground water due to location, while another may have more (or fewer) employees, residents, and water system improvements to make. There are many variables that make service rates different from one community to the next, making it hard to compare them. However, our residents often ask us for this data, so we have provided it here based on information provided to us in 2023.

Why can't we use tax dollars to pay for the water and sewer utility costs?

The Water and Sewer Fund is an Enterprise Fund, and these funds are self-supporting, meaning all revenue generated from user charges must pay for the expenditures of the system.

I see there are new ready-to-serve charges, will everyone pay the same ready-to-serve rate?

Everyone will pay the ready-to-serve fees based on their meter size. The American Water Works Association (AWWA) has a meter equivalent calculation for the larger meters ready-to-serve costs. **A household normally has a 5/8" meter and that is the base amount for the ready-to-serve costs.** All users of the system pay the same commodity charge rate. The commodity charge for water is \$8.75 per unit and the sewer commodity charge is \$9.25 per unit (1,000 gallons).

These are the monthly AWWA meter equivalent charges for fiscal year 2023/2024:

Rate Type	Ready-to-serve Water	Ready-to-serve Sewer	Ready-to-serve Total
5/8" meter	\$10.00	\$17.00	\$27.00
1" Meter	\$17.80	\$30.26	\$48.06
1.5" Meter	\$40.00	\$68.00	\$108.00
2" Meter	\$71.10	\$120.87	\$191.97
3" Meter	\$160.00	\$272.00	\$432.00
4" Meter	\$284.40	\$483.48	\$767.88
6" Meter	\$640.00	\$1,088.00	\$1,728.00

Will the ready-to-serve costs change in the future?

It depends on what other large projects are in the Capital Improvement Plan (CIP) and any increase in financing needs. The water and sewer systems will always have maintenance and replacement costs and will need upgrades as determined by City Staff and the City Council.

Does the City of Mason make money from utility bills? Are the rates going up because of other proposed projects like Park Improvements and Library Renovation?

No, the Water and Sewer Fund is an Enterprise Fund, and these funds are self-supporting, meaning all revenue generated from user charges must pay for the expenditures of the system. The Park improvements and Library renovations are paid for by other funds and not the water and sewer fund.

Water and Sewer Fund Estimates

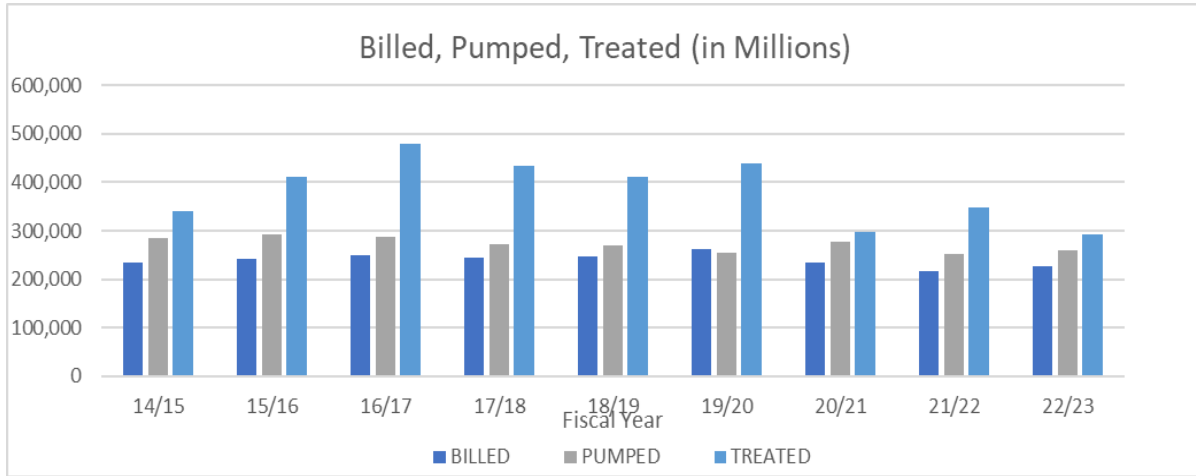
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Revenue:						
Water & Sewer Sales	2,976,818	2,873,589	3,120,314	3,519,675	3,620,003	4,791,745
Other Revenue	329,189	120,788	112,012	2,062,170	1,658,887	1,818,040
Total Revenue	3,306,007	2,994,377	3,236,326	5,581,845	5,278,890	36,817,140
Expenditures	3,300,306	3,067,172	3,254,088	6,465,575	5,649,370	36,932,445
Cash on Hand Balance	1,975,391	1,638,214	1,473,486	1,539,756	1,210,677	2,195,372
Percent of Expenditures	60%	53%	45%	28%	23%	

Note: July 15, 2023 water rates have been increased **13%** for the 2023/2024 fiscal year to meet operational and capital costs and low usage and revenue projections.

Why does the City charge so much for utilities?

The City is dedicated to setting water and wastewater rates that treat customers fairly and reflect the true cost of service while protecting the City's financial stability. Adequate funding levels are critical to the delivery of a safe and reliable supply of water. Additional factors that relate to rate charges are listed below:

- **Rising treatment costs.** Increasingly stringent drinking water regulations have made it necessary for many municipal water suppliers to invest in costly new treatment technologies, adding to the cost of providing water. Future water quality regulations will only increase testing and treatment costs.
- **Aging infrastructure.** The City's water system alone comprises seven wells, two 500,000-gallon elevated storage towers, 600 fire hydrants and one-million-gallon ground storage tank, a centralized treatment plant (removes Radium 226 and 228, as well as iron) and approximately 45 miles of water main. From 2019-2025, the City needs to invest over \$25 million in upgrades and maintenance to the water and wastewater utility to be in compliance with regulations and aging infrastructure.
- **Increasing energy costs.** It takes significant electricity to pump, treat, and deliver water. As you can see from the graph below, we historically treat more than we pump. It's always been more expensive to treat wastewater than to pump clean water out of the wells.



Do my property taxes pay for utility costs?

No. For every \$1.00 paid toward property taxes, the City of Mason receives approximately \$0.30 if the taxpayer lives in the City. The balance of taxes paid are disbursed to other entities. The tax allocation pays for operations of the City but cannot support a user-based utility such as the City's water and wastewater that has operational costs and user fees dependent on use. The City utilizes an Enterprise Fund to allocate funding for water and wastewater utilities. An Enterprise Fund establishes fees and charges that are designed to recover its costs for the entire system, including capital costs.

Determining My Bill

I'm not sure how to read my utility bill. Can you help me?



CITY OF MASON UTILITY BILL

201 W Ash St, Mason MI 48854
Pay Online at www.mason.mi.us
Pay by Phone at 833-699-7827

Contact Information:

Billing Questions: 517-676-9155
Hours: 8:00 a.m. - 5:00 p.m.
Monday through Friday
(Except Holidays)
After Hours Emergency
517-676-2458

1

This includes the customer name, address, account number, bill due date and amount due.

NAME: SMITH, JOHN				DISTRICT: 02					
SERVICE ADDRESS: 123 WASH ST				BILLING PERIOD: 10/15/2019 TO 11/15/2019					
ACCOUNT: 0200-06000-03-1									
BILL DATE	DUE DATE	PAY THIS AMOUNT	PAY AFTER DUE DATE	TO	FROM	CODE	PREV READ	CURR READ	UNITS
11/30/19	12/20/19	\$39.78	\$43.76	10/15/19	11/14/19	Water	953	956	3
BILLING SUMMARY									
PREVIOUS BALANCE		\$0.00							
	RATE	UNITS							
Sewer	Sewer Rate	3	\$18.14						
Water	Water Rate	3	\$11.43						
Capital Improv-Sewer	Capital Improv - Sewer	3	\$2.18						
Capital Improvement	Capital Improv - Water	3	\$8.07						
Meter Charge	Meter Charge - Monthly		\$1.85						
AUTO DRAFT - DO NOT PAY		\$39.78							
AFTER 12/20/2019		PAY LATE AMOUNT -		\$43.76					
10% PENALTY ADDED TO CURRENT BILL AFTER DUE DATE. FAILURE TO RECEIVE BILL DOES NOT WAIVE PAST DUE PENALTY.									
- KEEP TOP PORTION FOR YOUR RECORDS -									
				MONTHLY CONSUMPTION HISTORY					
				Readings in Units 1 Unit = 1,000 Gallons					
				PAYMENTS PROCESSED BY INVOICE CLOUD DO NOT PAY THIS BILL					
				Welcome to the NEW City of Mason Full Page Water Bill. Tear-off the bottom for your payment coupon. See this box for further information.					
				- SEE REVERSE SIDE FOR IMPORTANT INFORMATION -					
				SERVICE ADDRESS		DISTRICT			
				123 WASH ST		02			
				ACCOUNT NUMBER		BILL DATE		DUE DATE	
				0200-06000-03-1		11/30/19		12/20/19	
				AMOUNT DUE		PAY AFTER DUE DATE			
				\$39.78		\$43.76			
				ADDRESSSEE		REMIT TO			
				SMITH, JOHN 123 WASH STREET MASON, MI 48854		CITY OF MASON 201 W ASH ST PO BOX 370 MASON MI 48854			

3

This section is the breakdown for the total due by rate type. It will also show any previous balance or credit.

6

Please tear off the stub and return with payment.

2

This shows the billing period, current read, previous read and units of water used

4

The best part is this new chart that shows water usage. The chart is in units and 1 unit = 1,000 gallons. This chart will update every month with the current usage.

5

Look here for important messages and seasonal information.

What is a billable unit?

A unit is 1,000 gallons. We bill in units used; we don't round up.

When do you read my meter? When is my bill due?

Meters are read on the 15th of each month. If that day is a holiday or weekend, we read the day before or the day after. Bills are mailed out on the last business day of the month. These bills are due on the 20th of the next month. If that day is a holiday or weekend, the bill will always be due after the 20th. Bills are never due before the 20th.

Should my water bill be the same every month?

It's good to have consistent usage, it helps predict your monthly cost and any possible leak can be found faster. It's normal to see a change in 1 unit up or down each month. Because we read after 1,000 gallons are used, there may be carryover from the prior month that wasn't on your current bill. A change of 1 unit up or down per month is not uncommon. However, if your bills are consistently the same, that indicates you are using just

over a full unit, and it may be quite a while before you would see an extra unit. If you have a larger increase, you may have a water leak. A change in household size or increased usage such as pool fills, outside watering, softener issues, toilet seals wearing out or the toilet chain getting stuck can all cause higher than normal water reading.

Are you rounding up water reads?

No, we use a remote computer unit, and each meter/radio pair have a unique id and number. We read in 1,000-gallon units and do not round up. For the City to bill you a unit of water you must use that unit of water. These are all actual reads, not estimates. For example, if you used 4.5 units (4,500 gallons) you would only be charged for 4 units. The 0.5 units (500 gallons) would be carried over to your next reading.

Why is my bill different from my neighbors? Why is my bill the same?

- It could be different for many reasons. This may include more or less people, weather, water softener, water heater, type of washing machine, age of toilets, outside water usage, etc.
- If you used the same amount of water as your neighbor and neither of you have a credit or a previous balance, you will receive the same bill. 5 units is the same cost for every residential customer in the City using a 5/8" meter.

Do you estimate the utility bills? What if I get an estimated bill?

No. We use a radio and computer to read every meter every month. Our system allows us to read the entire City in less than one day. Any missed reads are re-read the next day. A meter may not read if we didn't get close enough, the meter is on the far side of the house, or metal items are in the way and disrupting the signal. If you have an estimated bill, the E will be next to your ending reading. We will estimate your bill if we can't get a reading. This would usually indicate that your meter, radio, or wire may be broken. We will notify you by mail, phone, or email to set an appointment to make those repairs. There is usually no charge for this service. A cost would be incurred if the radio was thrown away or it was determined the meter was broken due to neglect.

Why might I have a credit?

Any payments made after the due date may not be applied on the current bill. We have to submit bills to the printer several days before the bills are mailed. If you made a payment in that time period, it would not reflect on the bill. For example, if your bill is due 1/21 but you pay on 1/30, that payment will not be shown on the bill you receive that's due 2/20. So, if you pay the total amount due on 2/20 you will have made an overpayment and have a credit showing on your next bill.

What are my payment options?

- **In Person (Credit Card, Cash or Check):** Payments can be dropped off at City Hall to our Customer Service desk or in the drop box in front of City Hall.
- **ACH:** The ACH is a FREE service and is an easy way to move money between your bank and the City without using paper checks, wire transfers, credit card networks, or cash. Sign up at www.mason.mi.us (find your bill, click "Pay Now", click "Make Payment" and signup in the Invoice Cloud portal).
- **On- line or Phone (Credit Card or E-checks Only):** Click [here](#) to pay online (find your bill, click "Pay Now", click "Make Payment" and signup in the Invoice Cloud portal). To pay by phone call 1.833.699.7827. We accept Visa, MasterCard, Discover and American Express by phone, in person and on-line with no processing fee.
- **In Person at Commercial Bank (Check or Cash Only):** Payments can be made at either the Cedar St or Jefferson St branch. Payment stubs are required to make a payment at Commercial Bank.

Water Meters

How do I read my water meter?

Your water meter is normally located along the wall closest to the road, or by your water heater. It is round and about 4 inches across. Our older meters have a manual odometer, and the new meters are digital and require a light source to show readings. Both read the first 4 digits from the left. They each have a leak indicator that will spin every time water is being used. If you aren't using water and it's spinning, that indicates a leak in your water system. Toilets, water heaters, water softeners, dripping spigots are a few areas to check for leaks.

Who has received new water meters? How often are meters replaced?

A water meter replacement program was initiated in 2004. All the meters were replaced with new meters and radios for the computer read system. Meters are replaced as needed. The City is working on a rotating meter replacement program and will soon start replacing 10% of City meters per year.

When is it determined to replace a meter? How will I be informed about a new meter that is needed or installed? How many meters does the city go through a year?

Meter readings are monthly. When a zero reading is found where there is usually usage, we send a zero read letter requesting an appointment to inspect the meter. Sometimes, customers have an explanation for a zero reading and no appointment is needed. Once we have an appointment, our staff will visit to inspect the meter, wiring, and radio to determine if a replacement or repair is necessary. There is a fee if the customer wants the accuracy of the meter checked and that fee will be refunded if the meter is found to be inaccurate. Meters are tested by a private company. On average we replace 40 meters per year.

Are there more efficient meters? How were these models chosen and from who?

All meters must meet the industry standard of +/- 2% accuracy. All meter charges are recorded by the City and State records retention rules require that we keep the meter records for the lifetime of the meter. The meter replacement program was sent to bid, bids were opened on September 24, 2003, and SLC was the low bidder. We are using Neptune meters, and the new meters have a digital face rather than the old-style odometer.

If a meter breaks, is there a warranty? Who pays for that warranty?

- The property owner is responsible for reasonable care. If the meter becomes damaged from neglect by freezing or physical damage, the City charges \$55 labor to the resident for replacement of the meter.
- The entire meter has a 1-yr warranty. The brass meter body has a 10-yr warranty for leakage, the register head a 10-yr warranty, and the radio box has a 20-yr warranty (10 full and 10 pro-rated). There is no labor charge to replace a defective meter. However, if it is due to resident neglect, it is not covered under these warranties.

I think there is something wrong with my water meter. What should I do?

If you feel your meter is not operating as it should, please contact our Customer Service Desk at 517.676.9155. We do not charge for City Staff to inspect a water meter. However, if the resident wants the meter sent out to be tested, they will pay a fee for that service.

Resources: More Questions? Please Contact our Customer Service Desk at 517.676.9155 or info@mason.mi.us.