



FACT SHEET – FREQUENTLY ASKED QUESTIONS

2023 Utility Billing Rate & Structure Change

Why did the City change the rate structure and when does it take effect?

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.

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.

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	\$1728.00

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.

What are the new rates?

The new rate structure removes the meter charge and includes a ready-to-serve charge with a per unit commodity charge for water and sewer. The commodity charge will continue to be based in units where each unit equals 1,000 gallons. The final rates were approved by the City Council on July 3, 2023, and will be reflected in the bills being mailed out July 31, 2023.

Summary of changes are listed below:

- **Water Ready-to-Serve** will be added at a flat rate based on the AWWA meter equivalent table below.
- **Water Charge** will be \$8.75 per 1,000 gallons.
- **Removed:** Meter charges, water charge for zero units and Water Capital Improvement charge.
- **Sewer Ready-to-Serve** will be added at a flat rate based on the AWWA meter equivalent table below.
- **Sewer Charge** will be \$9.25 per 1,000 gallons.
- **Removed:** Sewer charge for zero units and Sewer Capital Improvement charge.

These are the monthly overall impact for typical residential users:

User Type	Current Bill	New Bill
Residential (0 unit)	\$10.05	\$27.00
Residential average usage (4 units)	\$70.08	\$99.00
Residential high usage (8 units)	\$137.80	\$171.00

What will change on the exterior/sprinkler water bill?

There will be no ready-to-serve charges on exterior water meters. We will only be charging for water used and, if there is no usage, a bill will not be generated.

If I use less than 1 unit (1,000) will I pay more than the ready-to serve rate?

You will pay the flat ready-to-serve charge monthly based on your meter size. You are charged the ready-to-serve charge as the connections are there and ready for you to use.

How do our ready-to-serve charges compare?

Many communities charge ready to serve on water and sewer bills. This chart, from the rate study presentation, shows how our ready-to-serve compares to local communities.

City /Township	Water Ready to Serve	Sewer Ready to Serve	Total Ready to Serve
Grand Ledge	\$31.36	\$31.83	\$63.19
St. Louis	\$25.44	\$33.04	\$58.48
Alma	\$27.00	\$30.00	\$57.00
Williamston	\$33.07	\$22.73	\$55.80
St. Johns	\$14.58	\$33.62	\$48.20
Charlotte	\$17.41	\$29.48	\$46.89
Leslie	\$20.08	\$21.30	\$41.38
DeWitt*	\$16.36	\$24.67	\$41.03
Delhi Twp*	\$16.36	\$19.60	\$35.96
Lansing BW&L	\$16.36	\$13.60	\$29.96
MASON	\$10.00	\$17.00	\$27.00
Howell	\$11.13	\$12.50	\$23.63
Chelsea	\$5.76	\$16.10	\$21.86
East Lansing	\$5.25	\$3.74	\$8.99

*Board of Water & Light

Aren't our rates the highest around?

Community size, community partnering, CIP, level of service, asset management, lead lines, and water source are examples of what can impact every community's water rates. Every system is unique and comparing rates is extremely difficult due to these factors, however, a rate comparison chart is below for your reference. The city is aware that many of these communities are also anticipating rate increases due to infrastructure projects in the next 12 months.

Rates as of July 2023

City/Township	Why	4 units total Water & Sewer
Grand Ledge	Population (7.7K)	\$124.91
St. Louis	Population (7.0K)	\$101.80
MASON	Population (8.2K)	\$99.00
Leslie	Location (1.9K)	\$98.58
Williamston	Location (3.8K)	\$98.00
East Lansing	Location (47.7K)	\$96.57
Alma	Population (9.4K)	\$92.60
Lansing BW&L	Location (112.6K)	\$91.93
St. Johns	Population (7.6K)	\$88.04
Charlotte	Location (9.2K)	\$84.45
Delhi Twp*	Location (27.7K)	\$81.71
Chelsea	Population (5.4K)	\$77.38
DeWitt*	Population (4.7K)	\$72.40
Howell	Population (10.K)	\$67.83

Rates have been converted to monthly billing, gallons rates are based on 5/8" meter, and residential charges.

*water with Board of Water & Light

What if I can't afford my bill?

Please call 211 or contact Capital Area Community Services at 517-676-1065, or the Michigan Department of Health and Human Services at 517-241-3740 or online: <http://www.michigan.gov/mdhhs>. These entities have options and resources to help.

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

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