

Genoa-Oceola Sewer & Water Authority

2911 Dorr Road
Brighton, MI 48116
810-227-5225

Memorandum

TO: Metered Sewer Customers of the Genoa – Oceola Sewer and Water Authority
FROM: Greg Tatara, Utility Director
DATE: October 1, 2009
RE: Minimum Sewer Bill

The Genoa-Oceola Sewer and Water Authority has recently instituted a \$50 minimum bill for metered sewer customers. The minimum bill will be sent to all metered customers using less than \$50 worth of sewer, which equates to all metered customers using less than 11,000 gallons per quarter. Currently, if you less than 11,000 gallons per quarter, you are charged based on you exact usage to the nearest 1,000 gallons. Why was this changed?

In summary, the Genoa Oceola Sewer and Water Authority determined that there are many fixed costs with operating the system (labor, electricity, phones, repairs) and since we must have the sewer available to the customers at all times, a minimum sewer bill is appropriate. For example:

- If you leave for three months, the sewer service is available to your property at the moment that you return.
- If a break occurs during your absence, the Authority will repair the break during your absence.
- Additionally, we have many costs that are constant, such as labor, electricity, and phone dialers that we have to pay whether we treat 1,000 or 1,000,000 gallons of water.
- Costs to operate the wastewater treatment plant are relatively the same even if flows are reduced.
- In a careful analysis of our rates and expenses, we were finding that other customers were subsidizing sewer service for customers with minimal usage.
- Even if you use no water at all, the Genoa-Oceola Sewer and Water Authority must still read your meter, send you a bill, and generally make the service available to you. By charging a minimum bill, we are able to recoup the costs associated with making sewer service available to our customers.
- We also have 1,400 customers who pay a flat rate sewer bill of \$97.71 per quarter per residential unit. This is charged each quarter even if the property is vacant.
- Finally, a minimum bill is utilized by many municipalities.

The Genoa-Oceola Authority understands it is difficult to pass on any increase in these difficult economic times. However, many of our energy, labor, and chemical costs are increasing beyond our control and we aim to operate the system in the best manner possible with equity to all customers.