

# Revised Water Rate Structure

To All Customers of the Sudbury Water District:

The Sudbury Water District now has the capability to read all meters within a one-week timeframe, which allows us to bill everyone at the same time and to do billing on a quarterly basis, instead of every six months. That new system will be initiated June 1, 2009.

The quarterly billing has led us to revise the billing structure going forward. The old rate structure was established as a tiered rate, with those who used more in a six-month period paying higher step rates. The new billing period will be quarterly, so the corresponding tiers have to be adjusted accordingly. For instance, the lowest tier in the old structure had an upper limit of 40,000 gallons for the six months. In the new quarterly structure, that would correspond to 20,000 gallons for three months. Also, because recent history has shown that we need to recover more of our revenue from the lower tier, we have adjusted the rates accordingly.

A comparison of the new and old structures is presented below:

Item	Old (existing) system	New system
Base charge	\$10 per six-month period	\$5 per quarter
First tier range	Up to 40,000 gallons	Up to 20,000 gallons
First tier rate	\$3 per 1,000 gallons	\$4 per 1,000 gallons
Second tier range	>40,000 to 60,000 gallons	>20,000 to 30,000 gallons
Second tier rate	\$6 per 1,000 gallons	\$6 per 1,000 gallons
Third tier range	>60,000 to 80,000 gallons	>30,000 to 40,000 gallons
Third tier rate	\$7 per 1,000 gallons	\$7 per 1,000 gallons
Fourth tier range	>80,000 to 100,000 gallons	>40,000 to 50,000 gallons
Fourth tier rate	\$9 per 1,000 gallons	\$9 per 1,000 gallons
Fifth tier range	>100,000 to 120,000 gallons	>50,000 to 60,000 gallons
Fifth tier rate	\$11 per 1,000 gallons	\$11 per 1,000 gallons
Sixth tier range	>120,000 gallons	>60,000 gallons
Sixth tier rate	\$13 per 1,000 gallons	\$13 per 1,000 gallons

To begin the quarterly cycle we will read everyone's meter during the first week of June and you will be sent a bill for water used since your last reading, using the existing (old) rate structure. Meters will then be read every September, December, March, and June. Everyone will be on the same schedule so that each customer will be billed at the same time for water used during the same three "high use months" of June, July, and August.

Please note that the commercial structure will be the same as the residential except that all water used over 150,000 gallons per period will be charged at \$6 per thousand.