

# CITY OF HAMILTON 2017 WATER RATES

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## WATER RATES

The City of Hamilton Water System charges customers based upon volumetric usage of water, independent of customer categories (i.e., residential versus commercial), beginning with the first unit of water used during a billing month. Usage is measured in volumes of 100 cubic feet (Ccf) by customer meters. The City utilizes Automated Meter Reading (AMR) on a monthly basis.

City water rates also include a monthly Customer Service Charge based upon the size of the customer's water meter(s). The Customer Service Charge serves as the minimum monthly charge for the customer.

<b>City of Hamilton Water System 2017 Water Service Rates</b>			
	In-City	939.01 (c) & (d) Suburban	All Other Suburban
<b>Customer Service Charge (per Month)</b>			
- 5/8 in. Meter	\$ 10.00	\$ 15.00	\$ 20.00
- 3/4 in. Meter	\$ 10.00	\$ 15.00	\$ 20.00
- 1 in. Meter	\$ 14.00	\$ 21.00	\$ 28.00
- 1.5 in. Meter	\$ 27.00	\$ 40.50	\$ 54.00
- 2 in. Meter	\$ 32.00	\$ 48.00	\$ 64.00
- 3 in. Meter	\$ 125.00	\$ 187.50	\$ 250.00
- 4 in Meter	\$ 133.00	\$ 199.50	\$ 266.00
- 6 in. Meter	\$ 210.00	\$ 315.00	\$ 420.00
- 8 in. or greater Meter	\$ 250.00	\$ 375.00	\$ 500.00
<b>Volumetric Charge (per Ccf)</b>			
- Tier 1: 1-10 Ccf per month	\$ 2.17	\$ 3.26	\$ 4.35
- Tier 2: 11-500 Ccf per month	\$ 2.14	\$ 3.22	\$ 4.29
- Tier 3: 501-24,000 Ccf per month	\$ 2.07	\$ 3.11	\$ 4.15
- Tier 4: over 24,000 Ccf per month	\$ 1.38	\$ 2.08	\$ 2.77
<b>Water Riders</b>			
- Rider A: Unfunded Governmental and Regulatory (Including Environmental) Mandates Adjustment (per Ccf)	\$ -	\$ -	\$ -
- Rider B: Economic Development Cost Adjustment (per month)	\$ -	\$ -	\$ -
- Rider C: Water Main Replacement Program (per meter, per month)	\$ -	\$ -	\$ -

### NOTES:

- (i) Rates effective as of January 1, 2017.
- (ii) Suburban Customer Surcharge applies to those customers in the City of Fairfield and Sharon Park (St. Clair Twp.) subject to Hamilton Codified Ordinances, Sections 939.01 (c) and (d).

- (iii) *Beginning in 2015, the Minimum Monthly Charge for water customers is equal to the Monthly Customer Service Charge.*

## **Water Riders**

Water Riders are monthly, volumetric or usage charges and fees, used to collect various earmarked expenses by the City of Hamilton's water utility.

### ***Rider A – Unfunded Governmental and Regulatory, including Environmental, Mandates Water Utility Adjustment (UGRMA)***

The UGRMA is designed to collect the costs associated with the Water System's compliance with governmental and regulatory mandates that are not included or recovered in the base water rate charges.

The expenditures associated with the UGRMA could be for operations, capital improvements, investments and related debt service principal and interest payment. No City salaries or benefits are recoverable through this Rider.

For more information, please view Appendix A, Water Rider A Ordinance.

### ***Rider B – Economic Development Cost Water Utility Adjustment (EDCA)***

The EDCA is designed to collect costs associated with projects in the City of Hamilton that are determined to satisfy the economic development goals and objectives of the City and provide a benefit to the City's utility systems. Depending upon the project, the EDCA may be collected from individual utilities or equally across all four primary utilities (Electric, Gas, Water, Sanitary).

The collection is made on a weighted per customer basis, as opposed to a volumetric or other basis. The economic development expenditures recovered by the EDCA shall be determined to be for a "public purpose" and benefit the utility. The Ohio Revised Code has defined economic development as a "public purpose", thereby authorizing municipalities to fund projects based upon this definition.

For more information, please view Appendix B, Water Rider B Ordinance.

### ***Water Main Replacement Program (WMRP) Rider***

The WMRP Rider is designed to collect the costs associated with the Water System's Water Main Replacement Program that are not included or recovered in the base water rate charges.

The expenditures associated with the WMRP Rider could be for operations, capital improvements, investments and related debt service principal and interest payments. No City salaries or benefits are recoverable through this Rider.

In 2014, the Water System completed a cost of service study. The Study determined that the WMRP Rider should be reduced to \$0 for the foreseeable future, with the required water main replacement funds being generated through a corresponding increase in the water base rate, in the form of a per meter size Customer Charge, for all in-City water customers.

For more information, please view Appendix C, WMRP Rider Ordinance.

## Appendix A

### 939.16 UNFUNDED GOVERNMENTAL AND REGULATORY (INCLUDING ENVIRONMENTAL) MANDATES WATER UTILITY ADJUSTMENT RIDER "A" (RIDER A).

#### (a) Unfunded Governmental and Regulatory (Including Environmental Mandates Adjustment (UGRMA))

(1) Scope. The Utility shall recover through application of the UGRMA all expenditures for operating, capital improvements, investments and related debt service principal and interest payments that are paid or payable to parties other than Utility employees which are associated with the Utility's compliance with governmental and regulatory mandates that are not included or recovered in base **water** rate charges (Governmental and Regulatory Costs). Governmental and Regulatory Costs shall include Utility debt service payments (including principal and interest payments) associated with the deferral of Governmental and Regulatory Costs. Governmental and Regulatory Costs will be credited to reflect proceeds received from insurance carriers or other entities for amounts that represent reimbursement of costs associated with governmental and regulatory caused compliance projects. Governmental and Regulatory Costs shall not include the salaries of Utility employees, or any benefits related thereto.

The UGRMA will be applied monthly as a volumetric charge (\$ per hundred cubic feet) to **water** customers total monthly billings so as to recover anticipated Governmental and Regulatory Costs during the period such expenditures are projected to be incurred by the Utility (Recovery Period).

The total amount of any over or under recovery of Governmental and Regulatory Costs for preceding collection periods will be included as Governmental and Regulatory Reconciliation Adjustment and thereby reflected in the UGRMA for the Recovery Period.

(2) Calculation. The formula for calculating the UGRMA, expressed as a volumetric charge (\$ per hundred cubic feet), is:

$$\text{UGRMA} = (\text{EC} + \text{ERA})/\text{S}$$

Where:

EC = Governmental and Regulatory Costs (\$) to be recovered from **water** customers during the Recovery Period.

ERA = Governmental and Regulatory Reconciliation Adjustment is a dollar adjustment that reflects the difference between actual Governmental and Regulatory Costs incurred during preceding collection periods and the actual revenues collected by the UGRMA during the same collection period.

S = Projected Sales (hundred cubic feet) billed to **water** customers during the Recovery Period.

#### (b) Application.

(1) The Utility shall annually review the UGRMA calculation and make projections for the Recovery Period. The Utility shall, when it deems necessary, make adjustments to the UGRMA applied to customers for such period as it deems necessary to accomplish the purposes of this **Rider** in a timely manner.

(Ord. 2007-12-161. Passed 12-27-07.)

## Appendix B

### 939.17 ECONOMIC DEVELOPMENT COST WATER UTILITY ADJUSTMENT RIDER "B" (RIDER B).

#### (a) Economic Development Cost Adjustment (EDCA).

(1) Scope. The Water Utility (Utility) shall recover economic development expenditures through the application of the EDCA including the sum of the Economic Development Agreement (EDA) Annual Rebates and all expenditures including funds transferred from the Utility to the City of Hamilton Department of Administrative Division of Economic Development, operating, capital improvements, investments and related debt service principal and interest payments that are paid or payable to parties other than Utility employees which are associated with the Utility's economic development activities that are not included or recovered in base water rate charges and Unfunded Governmental and Regulatory (including environmental) Mandates Water Utility Adjustment (Rider A). Economic Development expenditures will be credited to reflect proceeds received from other entities for amounts that represent reimbursement of costs associated with economic development projects. Economic Development expenditures shall not include the salaries of Utility employees, or any benefits related thereto. Economic Development expenditures recovered by the EDCA shall be determined to be for a public purpose and benefit to the Utility. "Public purpose" and "Utility benefit" shall be determined by the Law Director and the Finance Director and approved by the Hamilton City Council. The EDCA will be applied monthly and added to water customers monthly billings to recover the Economic Development Cost Adjustment.

(2) Application. The Utility shall review the Economic Development Cost Adjustment calculation and shall make annual projections for the succeeding period January to December (Collection Period). The Utility shall, when it deems necessary, make adjustments to the EDCA applied to customers for such period as it deems necessary to accomplish the purpose of this Rider in a timely manner.

(3) Calculation. The formula for calculating the economic development cost adjustment (EDCA) is:

$$\text{EDCA} = (\text{EDC} * (\text{MWF} * \text{RCM}/\text{PTWM}))/\text{RCM}/12 + \text{RA}$$

Where:

$(\text{EDC} * (\text{MWF} * \text{RCM}/\text{PTWM}))/\text{RCM}/12$  = the Economic Development cost component, expressed in dollars per meter per month.

RA = Reconciliation Adjustment as determined below, expressed in dollars per meter per month.

$$\text{RA} = (\text{AEDC} * \text{MWF} * \text{AM}/\text{ATWM}))/\text{AM}/12 - (\text{PPEDC} * (\text{MWF} * \text{PCM}/\text{ATWM}))/\text{PCM}/12$$

#### (4) Definitions.

$$\text{EDC} = \text{PEDC} - \text{BEDC}$$

PEDC= Projected Economic Development expenditures in the Collection Period.

BEDC= Economic Development expenditures in the base rates of \$183,512. At the time this rider was written, Economic Development expenditures in base rates

were \$0.00 for EDA Annual Rebates and \$183,512 for funds transferred to the City Department of Administrative Division of Economic Development

PPEDC = Economic Development costs to be collected in the preceding Collection Period.

PPTWC= Projected total weighted meters during the preceding Collection Period.

AEDC = Actual Economic Development cost for the preceding Collection Period.

MWF = Meter weighting factor for each meter size in Table 1 below

RCM = Projected average number of meters for a given meter size during the Collection Period.

PCM = Projected average number of meters for a given meter size during the preceding Collection Period.

PTWM = Projected total weighted meters during the Collection Period.

AM = Actual average number of meters in the meter class during the preceding Collection Period.

ATWM = Actual total weighted meters during the preceding Collection Period.

**Table 1  
Meter Weighting Factors  
(MWF)**

Meter Size	Meter Weighting Factor	Sharon Park Subdivision Meter Weighting Factor
5/8"	1.0	1.5
3/4"	1.1	1.7
1"	1.4	2.1
1 1/2"	1.8	2.7
2"	2.9	4.4
3"	11.0	16.5
4"	14.0	21.0
6"	21.0	31.5
8"	29.0	43.5
10"	37.0	55.5

(Ord. 2010-8-71. Passed 8-11-10; Ord. 2011-8-79. Passed 8-24-11.)

## Appendix C

### 939.18 WATER MAIN REPLACEMENT PROGRAM RIDER.

#### (a) Water Main Replacement Program Rider (WMRPR).

- (1) Scope. The Utility shall recover through application of the WMRPR all expenditures for operating, capital improvements, investments and related debt service principal and interest payments that are paid or payable to parties other than Utility employees which are associated with the Utility's Water Main Replacement Program that are not included or recovered in base water rate charges. Water Main Replacement Costs shall include Utility debt service payments (including principal and interest payments) associated with the deferral of Water Main Replacement Costs. Water Main Replacement costs will be credited to reflect proceeds received from insurance carriers or other entities for amounts that represent reimbursement of costs associated with Water Main Replacement projects. Water Main Replacement costs shall not include the salaries of Utility employees, or any benefits related thereto.

The WMRPR will be applied monthly as an additive to base rates as a fixed charge expressed per meter so as to recover anticipated Water Main Replacement costs during the period such expenditures are projected to be incurred by the Utility (Recovery Period).

The total amount of any over or under recovery of Water Main Replacement costs for preceding collection periods will be included as Water Main Replacement Program Rider and thereby reflected in the WMRPR for the Recovery Period.

- (2) Calculation. The formula for calculating the WMRPR, expressed as a fixed charge (\$ per meter), is:

$$\text{WMRPR} = (\text{WMRC} * (\text{MWF} * \text{RCM}/\text{PTWM}))/\text{RCM}/12$$

Where:

WMRC = Projected Water Main Replacement Program expenditures in the Collection Period.

MWF = Meter weighting factor for each meter size in Table 1 below.

RCM = Projected average number of meters for a given meter size during the Collection Period.

PTWM = Projected total weighted meters during the Collection Period.

**Table 1**  
**Meter Weighting Factors (MWF)**

<b>Meter Size</b>	<b>Meter Weighting Factor</b>	<b>Sharon Park Subdivision Meter Weighting Factor</b>
5/8"	1.0	1.5
3/4"	1.0	1.5
1"	1.3	2.0
1 1/2"	2.1	3.1
2"	2.6	3.9
3"	11.0	16.5
4"	14.0	21.0
6"	21.0	31.5
8"	29.0	43.5
10"	37.0	55.5

(b) Application

- (1) The Utility shall annually review the WMRPR calculation and make projections for the Recovery Period. The Utility shall, when it deems necessary, make adjustments to the WMRPR applied to customers for such period as it deems necessary to accomplish the purposes of this Rider in a timely manner.

(Ord. 2010-12-99. Passed 12-8-10.)