



Village of Sister Bay

BOARD REPORT

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Meeting Date: 10/02/07
Item No.: 1

Recommendation: That the Board approves Resolution No. 166-100207 Establishing Various Rates and Rules for Water Service

Background: Earlier this year the Utility Committee directed that a complete water rate study be undertaken by the staff since the last full rate study had been done in 1984. Initially it was thought that Juliana could complete the application, but it was quickly recognized that the complexity of the application, the process and her amount of free time required that a consultant be retained. The Village hired Schenck to complete the application and review process. Even with the consultant's help the process took a great deal of Juliana's time.

Over the past several months drafts of the application have been provided to the Utility Committee for their review. The Village's water utility rates are regulated by the Public Service Commission, unlike the wastewater rates which are regulated by the Village Board. The PSC review of the financial side of the water utility operations was extensive and resulted in many changes.

The wording of the Water Utility's Operating Rules was updated by the Commission and a change was made in the section on "Replacement and Repair of Service Laterals" such that curb stops are now the responsibility of property owners. In the past, the Utility was responsible for maintaining the service lateral from the main through the curb stop. The curb stop box is now the property of the property owner, who is responsible for its repair and maintenance, including maintaining it at an appropriate grade level.

The adoption of the resolution approves the implementation of the rates that the Public Service Commission approved after the public hearing that was held on September 25, 2007. The public hearing held by the Public Service was noticed by the Village at the three regular locations as well as notices were placed in two papers. The determination made by the PSC also established two different sets of rules which appeared on Schedule 13 and X-1 which would also be approved.

Fiscal Impact: Increased ratepayer revenue of \$118,661 for Test Year 2007. Due to the complexity of the new rates and the different sizes of water meters it is extremely difficult to state what an average increase in rates is.

Respectfully submitted,

Robert L. Kufrin
Village Administrator