

WATER RATE CHANGES

The Village purchases water from the Madison Water Utility which has increased its wholesale water rates. The Village has a Purchased Water Adjustment clause in place with the PSC that provides a simplified process for the Village to adjust its rates based on increases in costs that are passed to us by Madison Water (water utilities are regulated by the PSC). The percentage increase on Village water bills due to the wholesale water rate increase will be 7.05% (an increase from \$45.13 to \$48.31 per month for an average residential customer).

PUBLIC FIRE PROTECTION CHARGES TO BE PLACED ON UTILITY BILLS

Q. What is the Public Fire Protection (PFP) Charge?

PFP is a charge that is required by State law and regulated by the State of Wisconsin's Public Service Commission. It is a cost collected for the benefit of municipal water utilities for the express purpose of recovering the costs to supply proper volume & pressure of water for fighting fires.

Q. How has PFP been paid in the past?

The Village had been using property tax dollars to pay the charge to the utility.

Q. Why is PFP now going to show up as a fee on my utility bill?

Due to budget constraints & State imposed levy limits, the Village can no longer afford to subsidize the utility through the use of general property taxes. Utility customers will now have to pay for a service that was previously subsidized by only the Village's property taxpayers. All utility customers will now be treated equally & tax-exempt non-profits will now have to also pay for their share of the PFP costs.

Q. Isn't this a cost that should be borne by the Madison Fire Department & not the utility customers? Isn't this why I pay taxes?

This cost has nothing to do with the Fire Department. The PFP charge covers the costs of the Water Utility to be able to deliver water for fighting fires and is completely independent of any expenses that the Fire Department may incur in order to use the water to fight the fire.

Q. What costs does the PFP charge specifically cover?

Although hydrants are an important part of the cost, there are other expenses; such as increased sizes of water mains, increased pump capacity; that all must be in place to supply water for firefighting. These things must all be in place to make sure that the Utility has enough capacity to provide water for fighting fires and still supply daily water needs at the same time. If the water system was not used to fight fires, the system would cost the utility significantly less to operate & maintain due to smaller mains and pumps.

Q. I have multiple meters; will I receive a charge for every meter?

Any meter providing general service (being consumed, used in a manufacturing process, discharge to the sanitary sewer, etc.) **will** receive the Public Fire Protection Charge.

Q. Does the PFP Charge apply to Tax Exempt Properties?

Yes, all utility customers will be responsible for paying the PFP charge, i.e. churches, schools, government entities (including the Village); will pay the same rate as any other customer with the same meter size.

Q. Am I able to reduce my meter size to reduce my PFP Charge?

Water meter size is based on delivering the necessary amount of water at the required pressure to all points inside your building. The meter sizing was reviewed at the time your building was constructed or remodeled.

Q. This is just a utility rate increase isn't it?

No, the utility is not receiving any increase in revenue this is just the same amount coming from a different source—a direct charge on your utility bill rather than from the Village's general tax collections. With a rate increase, the Utility would receive more revenue than it did previously.