



Chaska City Hall Bulletin

"The Best Small Town in Minnesota"

Chaska City Hall

www.chaskamn.com

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CITY REMINDS RESIDENTS OF WATER RATE CHANGES

Even with all the rain we have been having lately, the summer watering season will quickly be approaching. The City of Chaska would like to take this opportunity to remind residents of the water rate changes made effective January 1, 2010. These changes were made both to help promote the conservation of water within the community and to ensure that current and future expenses are covered.

Over the summer of 2009 the City completed a Water Rate Analysis. This analysis was necessitated due to three primary reasons:

- The State of Minnesota, through the DNR required all municipalities by January 1, 2010 to have an inclining block water rate to encourage water conservation.
- With the dramatic decline in growth rate, there was a need to analyze the short-term needs the City had with its current debt applications in the Water Utility to make sure all the financial obligations were able to be met.
- With an aging water system, there was a need to analyze and understand our future operation and maintenance costs to make sure the rate structure was able to sustain the water system into the future.

Prior to the beginning of this year, the City of Chaska had placed a flat water rate of \$1.17 per thousand gallons of water. This meant that no matter how much water a resident used, they would always be charged the same rate per unit of water. With Chaska's water rate the lowest among surrounding cities and one of the lowest across the entire metro, no incentive was in place to promote the conservation of water. Also, this did not allow the City to plan for and save up for any future maintenance costs.

The need for this State mandate on creating an inclining block water rate is especially evident during the summer months. On an average winter day the City of Chaska will pump approximately 2.5 million gallons of water into the system. On a peak summer day that number will jump to over 8 million gallons per day. This difference is primarily due to businesses and residents irrigating their lawns. With so much water being used to supply irrigation systems, the State felt it necessary to mandate an inclining block water structure so that bigger users would pay more for the water they used, thus encouraging users to have an economic reason to think more carefully about the conservation of water.

The City also used the Water Rate Analysis to review our entire water system to determine if our rate structure was sufficient to maintain and operate a sustainable water system short-term and into the future. This became especially important, given our very low water rates and our aging water system. Looking at the surrounding communities, the average water rate charged to customers is \$3.92 per thousand gallons of water. The lowest rate is \$2.36 per thousand gallons. Chaska's rate was \$1.17 per thousand gallons in 2009. It was therefore important to study whether we were charging enough to accommodate our short-term and long-term usage.

After completion of the Water Rate Analysis last summer, the City of Chaska found that even if we were to increase our water rate by 5% annually over the next ten years, our water system would still be in a significant deficit, being approximately \$7million in the hole over a ten-year period. The Water Rate Analysis found that if the City were to adequately meet its obligations, the rate for the average water user would have to go up to approximately \$2.01 per thousand gallons of water. At the same time, it was found that the City was not able to recoup its fixed costs for utility billing and meter replacement. While most cities in the metro area have a customer service rate with an average of \$7.94, the City of Chaska had not had any service charge on their bills for those fixed costs. The study found that if we were to adequately recoup our costs, we would need to charge \$2.27 per month.

Chaska therefore moved forward late last summer to approve water rate increases as of January 1, 2010 to help meet the needs highlighted in the study. While the City did determine that we needed to increase the base rate charge to \$2.01 per thousand gallons and add a customer service charge of \$2.27 per month, the City elected to implement 50% of the increase on January 1, 2010, and the other 50% on January 1, 2011. For the average user of 7,000 gallons per month, this means their bill would increase by approximately \$4.00 per month in 2010 (from \$8.19 to \$12.23). In 2011 it would increase by a total of \$8.00 per month.

It should be noted that even when the rate increase is fully implemented in 2011, Chaska residents will still have the lowest water rate of any of the surrounding communities, at \$2.32 per thousand gallons of water. The average usage and fixed service charge for surrounding cities is \$3.92 per thousand gallons. The next lowest rate after Chaska is \$2.36. So while the City did need to increase water rates, we were able to do so in a manner that took care of our financial needs, while still keeping our rates lower than any of the other surrounding communities.

Although this rate increase went into effective on January 1st, the City wanted to remind residents of the water rate change, as most people will notice the increase more during the summer than during the winter. Again, this is due primarily to increased usage.

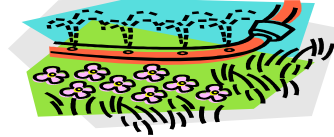
The City would like to remind residents and business owners to reflect on their water usage, especially during the summer, and consider cutting back on the amount of watering done to your lawn, plants, and gardens during the summer. Not only will this save residents money, it will also help conserve a limited water resource into the future. The Water Rate Schedule can be found on Page 3 of the City Hall Bulletin.

Questions about the water rate structure may be directed to the City at 952-448-9200.

**WATER UTILITY RATE SCHEDULE
ORDINANCE 832
ADOPTED AUGUST 31, 2009**

BASIC WATER RATE (per billing period)

Residential Consumption:
(Per Thousand Gallons - PTG)



0 to 7,000 gallons	\$1.59 PTG
7,001 to 20,000 gallons	\$1.64 PTG
20,001 to 30,000 gallons	\$1.70 PTG
30,001 to 40,000 gallons	\$1.81 PTG
Above 40,001 gallons	\$1.99 PTG

Commercial Consumption:

0 to 20,000 gallons	\$1.45 PTG
Above 20,001 gallons	\$1.51 PTG

Industrial Consumption:

0 to 90,000 gallons	\$1.35 PTG
Above 90,001 gallons	\$1.40 PTG

City of Chaska Consumption:

0 to 7,000 gallons	\$1.24 PTG
7,001 to 20,000 gallons	\$1.27 PTG
20,001 to 30,000 gallons	\$1.30 PTG
30,001 to 40,000 gallons	\$1.37 PTG
Above 40,001 gallons	\$1.49 PTG

Irrigation Only Meters Consumption:

0 to 20,000 gallons	\$1.64 PTG
20,001 to 40,000 gallons	\$1.81 PTG
Above 40,001 gallons	\$1.99 PTG

MONTHLY FLAT CHARGES

Meter Size	Per Occupancy Unit	Safe Drinking Water
5/8" to 3/4"	\$2.30	\$0.53
1"	\$3.20	\$0.53
1 1/2"	\$4.10	\$0.53
2"	\$6.60	\$0.53
3"	\$25.00	\$0.53
4"	\$31.80	\$0.53
5"	\$39.80	\$0.53
6"	\$47.70	\$0.53

**THANKS TO CHRISTMAS IN MAY
VOLUNTEERS!**

Chaska Christmas in May would like to thank all the volunteers who gave their time this past Saturday. This is an annual service project to help individuals who need assistance physically or financially to complete improvements to their homes.

This year the organization was able to complete improvements on five homes, as well as perform spruce up work to the landscaping at Auburn Manor. With approximately 200 volunteers on hand, the project was a wonderful success. Despite the cool temperatures, the rain held off during the day, allowing landscaping, window and screen replacement, painting, and drainage improvements to be completed. All the volunteers should be very proud of the work they accomplished and know that they are a part of what continues to make Chaska "The Best Small Town in Minnesota."



Anyone interested in finding out more about Christmas in May next year, should contact the Carver County CDA.

Chaska City Council Meeting
Monday, May 17, 2010
7:00 pm

Chaska City Hall
For the Agenda, go to:
www.chaskamn.com

May 15 is Peace Officers' Memorial Day



25th Annual Chaska Area Taste

Wednesday, May 19th
City Square Park - Chaska
5:00-9:00pm

Entertainment from 6:30-8:30pm by local band "73 Paces".

Come join the fun at the 25th annual Chaska Area Taste! Wednesday, May 19th in City Square Park sponsored by the SouthWest Metro Chamber of Commerce. There's food for everybody's taste at the annual event, where you'll find sample menu items from area restaurants. Free musical entertainment will occur from 6:30-8:30pm to amuse you during and after your dining experience from local known talent **73 Paces**. The "Taste" offers activities and entertainment for the entire family. Kids, check out the Fit and Fun Kid Zone. Stop by to visit all of the participating restaurants and businesses.



This event is Sponsored by The SouthWest Metro Chamber of Commerce, Klein Bank in Chaska, Community Bank Chaska, and The Home Depot, and is Free and Open to the Public



CHASKA COMMUNITY CENTER ACTIVITIES

WATCH YOUR GARDEN GROW!

Ages 3 to 6 (Parent/Child Class)

Wear your grubbies because we will be planting! Join us as your child will plant their own flower garden and learn how to care for it. We will also be using other materials such as paints, clay, grass, etc. to create an indoor love plant. Finally, the kids will decorate their own flower cookies for a fun treat.

Date: Saturday, May 22

Time: 9:30 – 11:00 a.m.

Cost: \$12 Member/\$15 Non-Member

TEEN PITCH, HIT AND RUN BASEBALL EVENT

Ages 11 to 15

Think you're an All-Star?

Come test your

baseball/softball skills at

our fun FREE Pitch, Hit, and Run Baseball Event. Prizes will be awarded to top finishers in each age group and refreshments will be provided for all. "Swing on in and have a ball!"



Date: Thursday, May 20

Time: 2:30 – 4:15 p.m.

Place: Chaska Community Center Turf

Cost: FREE

AOA CLASS REUNION

It is approaching that season — high school graduations and class reunions. This is a special twist on our usual Brick City Brewers. We'll reminisce about our earlier days. Share yearbooks or wear your letterman sweater. Play the "Guess Who" game with class pictures. A special guest will entertain! Punch and snacks provided.



Date: Wednesday, May 19

Time: 10:00 a.m.

Place: The Lodge



REMINDER

The CCC pools are closed Monday, May 24th through Monday, May 31st for annual maintenance and repairs. The pools will reopen again on Tuesday, June 1st, along with the Outdoor Splash Pad.