



The production, treatment, and delivery of water has both fixed and variable costs.

The fixed costs include piping infrastructure, treatment plant and well facilities, office facilities and staffing, vehicles and equipment, insurance, payroll, billing, etc.

The variable costs increase as the amount of water consumed increases, they include chemicals and filter media used to treat the water, and power requirements to pump the water.

One way that water utility companies try to fairly apply the costs of doing business to the customers who enjoy the use of their water is by having both a base rate which covers the fixed costs and a variable rate to cover the variable costs. The application of tiers is another way to more fairly spread the additional costs of providing larger volumes of water to the customers who are consuming larger amounts of water each month.

For example, a customer that is very conscious of conservation, fixes leaks right away, and uses desert plants in their landscape, should be rewarded for their diligence. While a customer who chooses to have a lawn and rose garden should accept the responsibility for those choices by paying a higher rate for the additional water production to meet their requirements. Both customers have the right to choose what level of water consumption is appropriate for them. A tier structure is all about choice. If a customer uses over 8,000 gallons of water each month and feels that their bill is too high, they can look for ways to lower their water consumption to lower their bill. Meanwhile, a customer that uses less than 2,000 gallons per month is already paying the lowest rate available as a reward for their hard work in controlling their consumption each month.

Green Valley Water District Residential Customers

Number of Customers	Meter Size		Current	Proposed
4267	5/8" x 3/4"	Base Rate	\$25.95	\$25.95
166	1"	Base Rate	\$29.00	\$29.00
Water Usage	0-2000	Tier I	\$1.95	\$1.75
	2001-5000	Tier II	\$1.95	\$2.25
	5001-8000	Tier III	\$1.95	\$3.25
	8001+	Tier IV	\$1.95	\$4.25

How will this affect my bill each month?

Gallons Used	5/8" Bill total under current rates (not incl taxes)	5/8" Bill total under proposed rates	1" Bill total under proposed rates
0	\$25.95	\$25.95	\$29.00
1,000	\$27.90	\$27.70	\$30.75
2,000	\$29.85	\$29.45	\$32.50
3,000	\$31.80	\$31.70	\$34.75
4,000	\$33.75	\$33.95	\$37.00
5,000	\$35.70	\$36.20	\$39.25
6,000	\$37.65	\$39.45	\$42.50
7,000	\$39.60	\$42.70	\$45.75
8,000	\$41.55	\$45.95	\$49.00
9,000	\$43.50	\$50.20	\$53.25
10,000	\$45.45	\$54.45	\$57.50
11,000	\$47.40	\$58.70	\$61.75
12,000	\$49.35	\$62.95	\$66.00
13,000	\$51.30	\$67.20	\$70.25
14,000	\$53.25	\$71.45	\$74.50
15,000	\$55.20	\$75.70	\$78.75

Who authorized this change?	Your elected Board of Directors
When will this change take effect?	The first full billing cycle after July 1, 2020
Why is this change necessary?	To fairly apply the costs of higher consumption
Will this change be permanent?	Yes, it will
Who can I speak to regarding this?	The Board meets every fourth Thursday
How will this affect my bill?	Please see list above
Will this affect my sewer bill?	No, it will not
How is this beneficial to customers?	Fair application of variable costs to those customers with higher consumption and lower bills for customers who control their usage