



Village of Newberry Frequently Asked Questions Residential & Commercial Water & Sewer Customers

1) Why are my water rates changing?

Due to aging and outdated infrastructure, the Village of Newberry began upgrading the water system in 2006.

Phase 1 of the water upgrades began in 2006 with the purchase of property, drilling of additional wells, and pipes to transport water to the water tower located on East McMillan Ave. The cost for this phase was \$2.3 million to be repaid over 40 years.

Phases 2-4 of the water upgrades continued in 2009 with the replacement of water mainlines. The cost for this phase was \$300,000 to be repaid over 40 years.

Phase 5 was the most recent phase, which began in 2014 began replacement of the majority of water mainlines and other underground water pipes. The cost of this phase was approximately \$5.7 million to be repaid over 40 years.

These upgrades over the past decade have replaced about 95% of the underground water pipes that lead up to a property line. Any pipe on private property is the responsibility of each property owner. For example, the pipes that connect to the water mainlines and those that go inside a structure are the responsibility of each individual property owner.

The total cost for these water infrastructure upgrades total about \$8.3 million to be paid off in 2054. Thus, the annual payment for all this infrastructure is about \$362,000 each year.

2) Why are my sewer rates changing?

Due to aging and outdated infrastructure, the Village of Newberry began upgrading the wastewater treatment plant in 2014. These upgrades were mandated by the Michigan Department of Environmental Quality since the plant had not received any substantial improvements since its construction in 1976.

Consequently, Phase 1 for upgrading the waste water treatment plant began in 2014 and is nearing completion in the next few months. The cost to upgrade the Wastewater Treatment Plant was \$4,158,620 to be repaid over 20 years. The payments for this phase are about \$232,000 each year and will be paid off in 2034.

3) What are the new residential and commercial water and sewer rates?

For residential users, the Village of Newberry has implemented a flat rate of \$75 per month for water and a flat rate of \$35 per month for sewer. The updated water and sewer bill will now be \$110 per month.

For commercial users, the Village of Newberry has implemented a Residential Equivalent Unit or REU rate structure that is based on the average residential customer using about 3,000 gallons per month. Each commercial activity has been analyzed and their usage from last year was divided by 3,000 to determine the number of REUs. Then each REU is billed \$75 for water and \$35 for sewer to determine the commercial rate. This model of determining commercial rates was established by the Environmental Protection Agency for rate calculations.

4) When will the new residential and commercial rates go into effect?

Beginning August 1, 2017, residential rates will be billed based on the flat rate of \$75 per month and the flat rate of \$35 per month for sewer. The total residential water and sewer bill will now be \$110 per month and customers will see the new rates on their September bill.

5) What percentage change will the average residential and commercial customer experience?

The average water bill will increase by 55% and the average sewer bill will increase by 17% regardless of whether the user is residential or commercial. This model was implemented because it was the most equitable for all users.

6) How can I pay my water and sewer bill?

Payments may be made online, automatic payments, placed in the drop box located along the East side of the Water & Light Building, mail, or drop off your payment at the local financial institution where you have an account.

7) If I get a shut-off notice/ red tag notice placed on my door, how do I pay my bill?

Payments may be made online, automatic payments, placed in the drop box located along the East side of the Water & Light Building, mail, or drop off your payment at the local financial institution where you have an account.

8) If my utilities get shut off due to nonpayment, where do I pay my bill?

Payments may be made online, automatic payments, placed in the drop box located along the East side of the Water & Light Building, mail, or drop off your payment at the local financial institution where you have an account.

9) If I enrolled in the summer watering program for May, June and July, do I still get the discount on the sewer bill which will appear on the October billing statement?

Yes

10) Will the summer watering program continue after August 1, 2017?

No