



# Frequently Asked Questions About Water and Sewer Rates

## **1. Why don't communities get the same wholesale water rate from Detroit Water & Sewerage Dept (DWSD)?**

There are many issues that impact rates from community to community making direct comparisons difficult. The rates charged to local residents are set by individual communities and include costs to maintain local water mains, pumps and storage tanks. Because water distribution systems do not work by gravity, the cost to transport water is impacted by the distance it must travel. Increased energy costs are incurred the farther and higher the drinking water must be pumped. Therefore, the higher costs to service communities farther out and at higher elevations are born by that community. This approach is consistent with billing standards used by other communities and developed by the American Water Works Association. Wholesale water rates charged by DWSD vary by community based on usage of water, distance from the water treatment plant, and elevation change from the plant. The basis for allocating more cost to communities that use more water is that DWSD must build greater production capacity to meet the communities' maximum daily demand. Because of this, costs are higher for communities with higher peak demand.

## **2. Why does my water and sewer bill come from my community but the water comes from DWSD and the sewage treatment plant is from Oakland County Water Resources Commission (OCWRC)?**

DWSD is a wholesale provider and Novi is the final provider of water and wastewater service. Your community's service includes maintaining the pipes and infrastructure between your house and DWSD's system as well as reading meters and performing billing. Likewise Oakland County Water Resources Commission is responsible for the North Huron Rouge Valley treatment plant. If you have a problem with service to your home, your community will work with you to solve the problem.

## **3. Why does Novi charge fees on top of what DWSD charges for water and sewer service?**

DWSD provides "wholesale" service to all customers of the system. DWSD delivers water to several points in Novi's system and then the Novi transports it to your house. Novi builds, maintains and operates its own infrastructure of water mains, pumps, and storage tanks. This is also true of sewers – your community transports the sewage through its sewers to a major OCWRC interceptor (sewer) that takes the sewage to the North Huron Rouge Valley Wastewater Treatment Plant. Novi is also responsible for the billing and collection functions. Your bills include the costs from DWSD, OCWRC and Novi's costs to complete the delivery of services.

## **4. How are water and wastewater (sewer) rates set?**

Novi sets water and sewer rates for its residents and businesses. These rates cover the cost that Novi incurs in delivering

water and wastewater service in addition to the charges they pay DWSD and OCWRC for services provided. DWSD and OCWRC rates with communities are set through an established process each year. Rate setting is a forward-looking process based on estimated future use and actual past usage from the communities.

## **5. Why can't rates be better managed to reduce fluctuations?**

Just like yearly household expenditures, water and sewage rates can vary from year to year. Overall costs are impacted by use of the system, required capital improvement projects, and operation and maintenance costs. On the water side, seasonal usage of water has a dramatic impact on the overall cost of service. Increases or decreases in maximum day or peak hour usage due to changes in summer seasonal usage can contribute to significantly higher peak demand and rates.

## **6. Why do rates increase?**

Because the water and wastewater treatment systems are aging, they must be maintained or replaced on a regular basis to ensure reliable service. The primary driver of rates increase is the amount of new and rehabilitation projects completed under the Detroit Water and Sewerage Department's (DWSD) Capital Improvement Program. Frequently, new projects must also be undertaken to maintain compliance with increasingly stringent regulatory requirements. Operation & Maintenance (O&M) of the water and wastewater systems also impacts rates. Just like other systems that must be operated and maintained, DWSD's and OCWRC's systems are impacted by inflation and the cost of utilities, chemicals and property insurance. As new facilities are brought on line, overall expenses increase as well.

## **7. Why do residents have to pay sewer charges on sprinkler water for their lawns?**

The water meter at your home or business is used to determine charges for sanitary sewers with the assumption that most of the water used in your home or business eventually flows into the sanitary sewer (clothes, dish washing, showers, toilets, etc.). Both water and sewer bills are based on the water that flows through your water meter. Your water bill is based on the number of gallons of water used. The entities providing water are not-for-profit entities, and the total costs need to be covered in order for service to continue. If separate meters were allowed, the cost per unit of sewer would have to be increased to cover the costs of the service. The few communities that allow for separate metering have water and sewer rates that are as much as 200% higher than the communities that do not allow separate meters.

## **8. How can residents save money on their water/wastewater bill?**

Conserving and using water wisely is the best way to save money on your water and wastewater bills. Steps you can take to reduce your water usage include:

- Water your lawn wisely – it only needs 0.5 to 1.5 inches of water per week (MSU Extension Turf Tips for Homeowners). Over-watering lawns results in shallow-rooted plants that are less tolerant of heat and drought, and more prone to disease.
- Water your lawn during off-peak hours such as during the early morning or late afternoon (11:00 pm to 5 a.m. is best).
- Check for leaks and drips. Toilets are the most common source of leaks and can frequently be fixed with a new flapper. Dripping faucets can usually be repaired with the rubber O-ring or washer inside the valve.
- Replace your old toilet, the largest water user inside your home. If your home was built before 1992, chances are you would benefit from a newer, more efficient toilet.
- Use rainwater to water your plants. Direct downspouts toward your plants and green

areas or collect water with rain barrels for use later.

- Make your lawn cheaper and easier to maintain by mowing high (three inches is recommended). Longer grass has deeper roots and requires less water.

Search the Internet for effective ways to conserve water. The water wiser site ([www.awwa.org/waterwiser](http://www.awwa.org/waterwiser)) from the American Water Works Association is a great place to start with links to other sites.

### **9. My house has been empty. Why do I still receive charges on my water bill?**

Certain services must be provided regardless of the amount of water used that contribute to monthly fixed costs such as meter reading, customer accounting, and maintenance of water mains. Therefore, a home that is not actively using water but has an active connection will still incur minimum charges. Houses charged a flat rate sewer charge will also continue to be billed the flat rate.

### **10. Who fixes my water main when it breaks?**

Water mains are owned by different entities. Typically, DWSD owns the larger transmission mains that deliver water to each community. Novi owns the water mains that transport the water from the transmission main to your home. Whoever owns and operates the water main fixes it. If the broken water main is in a local road, Novi will fix it since they own it. If a large transmission main that connects to your community's system needs work, DWSD will perform the work since DWSD owns it.

### **11. What kind of water and wastewater projects are being undertaken by DWSD?**

DWSD is continually upgrading and maintaining the water and sewer systems. Two major studies were recently completed to help guide this process: a Water Master

Plan and a Wastewater Master Plan. Both plans were developed with input from communities served by DWSD and take a 50-year view into the future of what customer demands will be like. Both plans include a Long Term Rehabilitation and Repair Program that identifies maintenance projects that will be necessary over the next 20 to 50 years. Projects from these programs are used to update the 5-year Capital Improvement Program that identifies water and sewer projects. Additional information about Capital Improvement Program projects can be obtained from DWSD's web site at [www.dwsd.org](http://www.dwsd.org).

### **12. What is Maximum Day Demand and Peak Hour Demand?**

Maximum Day Demand represents the maximum volume of water used during a 24 hour period within a given year. Peak Hour Demand is the term used to identify maximum volume of water used within the City of Novi over a one-hour period during a given year. These two volume totals are used to calculate the water demand rates for the City of Novi. Each year these maximum demands are used to estimate the volume of water needed to supply water to the community. The rate for this water is then determined based on these calculations.

DWSD offers a lower rate to Communities who shift their peak hour usage into the non-peak hours of 11:00 PM to 5:00 AM. In an effort to reduce the City of Novi's water rates, a local ordinance has been approved that requires the community to irrigate their lawn and landscaping during these non-peak hours on alternate days. The goal of this ordinance is to reduce the Maximum Day and the Peak Hour water demands of our water system. A violation of this ordinance is subject to a fines of up to \$500 per incident.