



Augusta Township Utility

Frequently Asked Questions

Why has the township changed the rate structure and raised rates?

The Augusta Township water and sewer utility has lost over \$3,000,000 over the past ten years. Needed long-term repairs have not been made, and the township is out of compliance with the state. The system requires immediate repair and current revenues are insufficient to fund the necessary upgrades.

Many of the costs to operate the system are fixed and consistent year over year. The previous rate formula relied on usage only. This resulted in unreliable revenue generation, insufficient to provide service in a fiscally stable manner. The new rate structure separates fixed and variable costs, to ensure that the system has sufficient revenue to cover costs.

The rate structure now has three components:

Component	Water	Sewer
Operations and Maintenance (O&M/Capacity Charge)	X	X
Debt Service	X	X
Commodity Charge (base on actual usage)	X	X

I am a water-only customer. Am I paying for repairs to the sewer system?

No. Water and sewer costs are budgeted separately, and charged separately.

I have two meters. Do I pay two capacity charges and two debt service charges?

No. The Capacity and Debt Service charges only apply to the **first** meter.

How can I reduce my bill?

Reduce your usage. The Commodity charge is based on **your usage**. For each unit (748 gallons) of water that you save, you reduce your bill by \$9.39 (for water and sewer customers), and \$4.34 for water customers. Check for leaks, use high-efficiency appliances.

What is the “Operation and Maintenance/Capacity Charge”?

Operations and Maintenance (Capacity)

The Operations and Maintenance (Capacity) charge is a fixed charge assessed to each user of the system. This charge covers the day-to-day operation of the water and sewer system, as well as normal maintenance and repairs. **Capacity/O&M charges are assessed on the first meter only.**

What is the Debt Service Charge?

Debt Service - Capital improvement debt

The township has borrowed funds to repair and replace water and sewer system components. A debt service charge has been added to the bi-monthly bill to cover the cost of paying back the loan. **Debt service charges are assessed on the first meter only.**