



Algona Municipal Utilities

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June 17, 2010

Dear AMU Water Customer:

On June 16, 2010 the Algona Municipal Utilities Board of Trustees approved an adjustment in water rates to reflect our current costs to treat and distribute water in Algona. It is our goal to provide high quality water that meets and exceeds all standards - always providing water at your tap when you demand it.

AMU continues to plan and implement upgrades to the water supply, treatment, and distribution system. Over the next two years, we will be repairing and painting the west water tower, replacing the roof on the Water Treatment Plant, replacing the Aerator in the Water Treatment Plant, installing a backwash holding tank west of the Water Treatment Plant as required by the Iowa Department of Natural Resources, and installing new high efficiency high service pumps, motors, and variable frequency drives to reduce electric consumption at the Water Treatment Plant. This is in addition to work already completed by the AMU Water Department over the last 12 months including installation of a new liquid chlorine system and new fluoride system in the water treatment plant along with new control equipment within the Water Treatment Plant.

The current water rates have two components. The first is a Customer Service Charge based on the size of water meter at the customer location. The Customer Service Charge reflects costs associated with serving customers regardless of the amount of water they use. The second component to the water rates is a metered water charge that reflects the costs of owning and operating the water system, which vary with the quantity of water produced. **The only change to the water rates in 2010 will be a small increase to the Customer Service Charge. There will be no change to the metered water charge. The average residential customer using 400 cubic feet per month will see an increase of approximately \$2.28 per month. Even after the new rate adjustment Algona's water rates fall in the lower one half of all water rates for cities in Iowa.**

I have included the new water rates on the back of this letter. The new rates will be effective with water billed approximately July 10, 2010. Please contact me if you have any questions or comments.

Sincerely,
John Bilsten
General Manager

“COMMUNITY OWNED FOR COMMUNITY BENEFIT”

Water Rates
Effective with the July 10, 2010 Billing

Metered Water Rates	<u>Present Rate</u>	<u>New Rate -- July 1010</u>
For all cubic feet	\$ 1.82 per 100 cubic feet	\$ 1.82 per 100 cubic feet

Customer Service Charge:

5/8 inch x 3/4 inch meter	\$ 4.97 per month	\$ 7.25 per month
1 inch meter	\$ 10.59 per month	\$ 15.50 per month
1 1/4 inch meter	\$ 12.23 per month	\$ 17.75 per month
1 1/2 inch meter	\$ 14.07 per month	\$ 20.50 per month
2 inch meter	\$ 21.17 per month	\$ 30.75 per month
3 inch meter	\$ 35.24 per month	\$ 51.00 per month
4 inch meter	\$ 67.39 per month	\$ 97.50 per month
6 inch meter	No Rate Today	\$ 150.00 per month

Tapping Fee:

1 inch service	\$ 1,046.50	\$ 1,100.00
1 1/4 inch service	\$ 1,282.25	\$ 1,335.00
1 1/2 inch service	\$ 1,627.25	\$ 1,680.00
2 inch service	\$ 1,900.95	\$ 1,950.00
4 inch service	\$ 2,620.85	\$ 2,670.00
6 inch service	\$ 3,250.00	\$ 3,300.00
8 inch service	\$ 3,950.00	\$ 4,000.00

Bulk Water Sales:

1000 GALLONS	\$ 4.00	\$ 5.00
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Private Fire Connection

Annual Surcharge:

4" Service Connection	\$ 150.00 per year	\$ 150.00 per year
6" Service Connection	\$ 300.00 per year	\$ 300.00 per year
8" Service Connection	\$ 500.00 per year	\$ 500.00 per year

Non Conserved Air

Conditioning Units

Annual Surcharge:

5 Ton Unit or Less	\$ 15.00 per ton	\$ 15.00 per ton
Unit over 5 Tons	\$ 20.00 per ton	\$ 20.00 per ton

Public Fire Protection	\$ 5.00 per year/hydrant	\$ 6.00 per year/hydrant
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Delayed Payment: 1.5% added 20 days after billing date.