May 8, 2013

NOTICE TO ALL PROPERTY OWNERS IN THE CITY OF ASHLAND AND
ALL CUSTOMERS OF THE ASHLAND WATER UTILITY

In September, 2012 the Ashland Water Utility submitted an application with the Public Service Commission of Wisconsin requesting an increase in water rates. After a review of the utility’s application, the PSCW developed an independent analysis of the revenue needs of the utility that was presented to the public hearing on April 15th. In an order dated April 22, 2013, the Commission authorized the first increase in water rates for the utility since 2001. The rate order is posted within the “Case Management” section of the PSCW website, appears on the City of Ashland website, and is available for review at the front desk of City Hall.

The City has shared with the Commission that the rate order will be implemented with the start of the billing cycle that began May 8th. This means that utility bills received in June, 2013 will reflect the new rates.

A typical residential customer will experience a 35% increase in general service water rates according to the PSCW rate order. The rate order notes that “The percentage rate increase to any individual customer will not necessarily equal the overall percentage increase to the associated customer class, but will depend on the specific usage level of that customer.”

In discussions over the rate increase, many water utility customers are incorrectly multiplying the percentage of the authorized increase on all the charges that appear on the monthly bill issued for municipal services. Water utility services are only a portion of the monthly bill. Sanitary sewer service and curbside solid waste collections are also services that appear on the monthly bill that are not affected by the PSCW order.

In addition to the general service water rate increase noted above, the Common Council in December, 2011 elected to convert the PSCW mandatory public fire protection fee to a direct charge in conformance with Section 196.03(3)(b), Wisconsin Statutes, and apply it to all properties within the City (water utility customers and non-customers alike). The monthly charge is based upon the meter size of a utility customer. Non-customers will be billed a minimum charge based upon the charge applied to a 5/8” meter. With this conversion, the City
of Ashland joins the 45% of Wisconsin municipalities, including Washburn, Superior, Hurley, Hayward, and Park Falls, that have chosen to direct charge the public fire protection fee.

This means that each buildable tax parcel in the City of Ashland, whether it is developed or not, whether it is taxable or not, whether it is served by the water utility or not, will be assessed this monthly PSCW mandated charge. If a property owner receives multiple tax bills or owns multiple parcels, there will be a separate charge for each parcel not served by the Ashland Water Utility. If multiple parcels are contiguous, a consideration of the advantages and disadvantages of combining the parcels may be in order. Please be aware that municipal ordinance requirements may restrict the ability to divide consolidated parcels at a future date. Pursuant to ordinance, any division of the property will require City approval to insure that non-conforming lots are not being created. City staff cannot combine parcels. The Ashland County Tax Lister needs to be contacted at 715-682-7003 for any discussion related to the consolidation of adjoining parcels.

The Public Fire Protection charge, sometimes misrepresented as a “hydrant fee,” is a mandated fee imposed by the Public Service Commission of Wisconsin to provide for the construction and maintenance of a water system containing the extra capacity needed for firefighting. The extra capacity that is paid for by the fee includes the increased size of water mains, corresponding larger valves and pumps, elevated towers and standpipes, and fire hydrants that would not be required to provide ordinary domestic water service to residential, institutional, commercial and industrial customers. The Public Fire Protection direct charge appears in the PSCW Tariff as Schedule F-1. Please do not confuse the Public Fire Protection Charge with the Private Fire Protection tariff (Schedule Upf-1) that provides for a source of water for fire suppression sprinkler systems within many larger or specialized structures.

What can water utility customers do about the rate increase? Although the increase in the monthly connection fee cannot be avoided for those connected to the water system, water utility customers do have control over the volume of water that is consumed in their household or business. The Public Service Commission of Wisconsin suggests conserving the amount of water used in each household as an appropriate way to control increasing costs. The Commission’s web page (http://psc.wi.gov/conservation/water/wc-consumers.htm) offers several suggestions for those interested in pursuing conservation efforts. Those suggestions include the monitoring of utility bills for unusually high use, fixing leaky faucets, showers and toilets, or replacing fixtures with “WaterSense” labeled models, and only running washers and dishwashers with full loads.

The Public Service Commission website has a number of links to resources that can assist with household efforts to conserve water and control the rise of water bills.