



## Kingsbury General Improvement District Fire Service Charge Guide

### **Water Distribution System**

The Kingsbury GID (KGID) maintains and supplies the water distribution system that provides drinking water to each of its customers. The distribution system is made up of water pipes, pumps, storage tanks, and treatment among other items. All distribution components are vital to providing clean and safe drinking water; however, maintaining and supplying drinking water without disruptions comes at a cost.

### **Water Rate Structure**

The previous water rate structure did not provide fairness and equity to the customers of KGID. The new (adopted) water rate structure is based on the ability to serve, and customers are accountable for contributing an equal share in relation to the potential demand they place on the system.

In late October, 2012, KGID adopted a new water rate structure. The current rate structure has adopted many new concepts to ensure fairness and equity to all customers, while covering all O&M and capital costs. The current rate structure is modeled from the Equivalent Meter Ratio (EMR) concept (seen in the table below), which bases all water rates on the potential demand each service can place on the water distribution system. For example, a customer with a 2” meter can potentially place a demand for water of 5.33 times more than a customer with a 0.75” meter.

Equivalent Meter Ratio (EMR) and Monthly Base Rates								
Meter Size	0.75”	1”	1.5”	2”	3”	4”	6”	8”
Flow (gpm)	30	50	100	160	320	500	1,000	1,600
EMR	1.00	1.67	3.33	5.33	10.67	16.67	33.33	53.33
Base Rate	\$62.92	\$105.08	\$209.52	\$335.36	\$671.36	\$1,048.88	\$2,097.12	\$3,355.52

### **Fire Service / Protection**

In addition to typical everyday water use (“domestic use”), fire service is a standby service that KGID makes available on demand. Although this service is rarely used, KGID must be ready to provide adequate water supply for the fire demand while maintaining water service to the remainder of its customers. In order to provide fire service, KGID must install and maintain significant infrastructure – pipes, pumps, storage tanks, treatment, etc. KGID must provide this service to ensure the safety of its customers.

### **KGID Efforts to Aid the Customer**

Certain customers within the District require fire service, which requires larger infrastructure (pipes, meters, etc.) to their building, although their domestic use may not warrant the larger size. KGID has acknowledged this fact and has developed an alternative to charging a customer for its larger service line to provide fire service. KGID may determine a domestic use based on fixture counts and assign a base rate charge consistent with that use.

Although a customer may never require the full capabilities of the fire service line, the line physically exists and KGID must maintain and account for it within its infrastructure all while providing adequate fire flow when required. Due to this, KGID has adopted a Fire Service Charge that is applied to a customer’s monthly bill in addition to the modified base rate.

The current Fire Service Charge schedule can be seen in the table on the next page.

Monthly KGID Fire Service Charges								
Meter Size	0.75"	1"	1.5"	2"	3"	4"	6"	8"
Fire Service Charge	\$6.29	\$10.51	\$20.95	\$33.54	\$67.14	\$104.89	\$209.71	\$335.55

A fire service charge is typically found by breaking down all costs to the District associated with fire protection. Currently, KGID does not have the level of detail to accurately associate costs to fire service. Efforts were made in researching other utilities fire service charges, and it was ultimately determined that KGID would associate the fire service charge to equal 10% of the base rate of the size of the true service line – this results in a comparable fire service charge to other utilities . This approach will also allow for the fire service charge to be easily adjusted in the future as water rates change.

**Conclusion**

KGID makes a great effort to ensure the highest quality drinking water and fire protection for its customers. KGID has implemented the new water rates and fire service charges that will greatly reduce the financial impact to customers that require fire service, all while maintaining the fire demand capabilities to ensure their safety.

Example: A customer has a 4” water service line and meter. KGID has determined this customer has a domestic use that could be provided by a 0.75” meter; therefore the customer shall be billed at a 0.75” base rate and not billed at a 4” base rate. In addition to this 0.75” base rate, the customer shall also be billed a 4” fire service charge to account for the fire service. The significant cost savings can be seen in the comparisons below.

- Monthly base rate without Fire Service Charge approach = \$1,048.88
- Monthly base rate with Fire Service Charge approach = \$167.81

If you have any additional questions, please feel free to contact KGID at 775-588-3548.

***Fire protection is typically not considered until you need it most!***