



Legislation Text

File #: 18-0550, **Version:** 1

Environmental Commission recommendation to City Council to explore options to support tenant rate savings and incentives to reduce water use.

The Environmental Commission supports the new Cost of Service Rate study and recommends that the City explore whether there are mechanisms the City can use to encourage the savings created by the new multi-family customer class accrue to the tenants and not the landlords, including incentives to conserve water for all residents.

Prepared by Commissioner Hutton

Whereas the City of Ann Arbor adopted the Sustainability Framework as an element of the City's Master Plan in 2013;

Whereas the Environmental Commission's purview includes the Sustainability Framework and its goals, including the Community Goals of Diverse Housing and Human Services;

Whereas, the City of Ann Arbor has conducted a Cost of Service and Rate Design study for its drinking water and wastewater rates;

Whereas, there is a legal requirement that rates are equitable for all system users and reflect the actual cost to serve that customer class;

Whereas, the City uses Advanced Metering Infrastructure and this system has provided much more data than was available for the 2003 Cost of Service Study;

Whereas, these data show the precise monthly, daily, and even hourly usage by customer type, which allowed the contracted consultants to determine the actual cost to serve each customer class and these costs are the basis for the new rate structure;

Whereas, the new proposed rates include rates for a new multi-family customer class in addition to residential and non-residential customer classes;

Whereas, the proposed rates for residential and non-residential reflect the best available data for cost recovery for each respective class;

Whereas, the Ann Arbor Housing Commission pays the water bills for their low-income clients, and these water savings will be reinvested by the AAHC into more affordable housing and tenant services;

Whereas, tenants who pay their landlord for their water bill rather pay the City directly for their water use do not have cost incentives to conserve water;

Whereas, these water savings created by the new multi-family class could pass to the landlord who

may not pass them on to the tenant;

RESOLVED, the Environmental Commission recommends that the Ann Arbor City Council direct the City Administrator and City Attorney to evaluate what actions the city could take to provide all residents incentives to conserve water and save money by reducing their water use;

RESOLVED, the Environmental Commission recommends that the Ann Arbor City Council direct the City Administrator and City Attorney to evaluate what actions the city could take to require commercial water customers to install water conservation measures such as rain sensors;

RESOLVED, the Environmental Commission recommends that the Ann Arbor City Council direct the City Administrator and City Attorney to evaluate what ordinances, fee structures, or other actions the City could take to best ensure these new water savings are passed on to tenants.