

**City of Essex Junction**  
**Policy for Large Volume Water User Rate Setting Process**

1. This rate is designed for large volume water consumption exceeding an annual daily average of 2.5 MGD (million gallons per day). Annual volume shall be calculated on a fiscal year basis by July 1 to June 30 annually.
2. Annually, by November 1, a large user covered under this rate shall provide a sound estimated projected water use based on forecasted need. The City shall incorporate these water projections into the next fiscal year budgeting process.
3. The City Staff shall meet with large users prior to submitting the City Manager's water budget to the Council. The purpose of this meeting is to review the large user's "proportionate share" of the operating budget and other computations used.
4. Upon completion of draft water budget, the City shall provide the large users with the final draft water expense and revenue budget (including large user estimated rates) that is presented to the City Council.
5. Annually following the February meter reading and water volume accounting, the water budget will be reviewed for the basis of flow assumptions. Budget modification may be recommended at this time for City Council consideration.
6. One large user water rate public hearing shall be held by the City Council. The hearing will normally be held with the second Council meeting in May along with normal City Council business. The City Utility User Rates shall be established at or after the public hearing. This schedule may be modified by the City Council, or their designee based on community needs.
7. Large users or the City staff may request that this policy be revised by the City Council.

**City Calculation Method for Setting Large User Rate**

- The large user rate additional charges shall satisfy proportional use, maintenance, asset management and system reliability maintenance activity performed by the City of Essex Junction Potable Water Distribution System.
- Large users to pay bills within 20 days of billing date. Late payments are subject to a 1 percent per month interest charge.
- The large user rate shall be based upon the prevailing wholesale rate from the Champlain Water District uniform charge per 1,000 gallons of water paid by the City to CWD (and paid by all the other member communities of the CWD unless otherwise set by CWD) PLUS the City water department costs based on the following computation method.

### **Formula for Calculation of Large User Rate**

1. Start with CWD large user wholesale rate including applicable Federal and State water taxes
2. Determine 13% of fiscal year of the City water department operating budget
3. Plus User's proportionate share of unaccounted water
4. Equals Total dollars to be collected
5. Divided By Projected use by large user for upcoming fiscal year
6. Equals Large user water rate (rate per 1,000 gallons of water used)

Adopted by the City Council on May 24, 2023