**Water Rate Structure Definitions**

**Declining Block Rate**  A rate that decreases as water consumption increases.
*Ex:* $3.00 per 1000 gallons for 1000-4000 gallons  
$2.00 per 1000 gallons for 4001-8000 gallons  
$1.25 per 1000 gallons for 8001+ gallons

**Drought Demand Rate**  A rate that increases during shortage events to reflect scarcity value.

**Excess Use Rate**  A rate that adds an additional price for use above a certain level of consumption.

**Fixed Rate**  A flat rate that stays the same regardless of the amount of consumption.
*Ex:* $40 total regardless of amount used

**Inclining Block Rate**  A rate that increases as water consumption increases.
*Ex:* $2.00 per 1000 gallons for 1000-4000 gallons  
$3.00 per 1000 gallons for 4001-8000 gallons  
$4.50 per 1000 gallons for 8001+ gallons

**Seasonal Block Rate**  A rate that is higher during peak use periods.
*Ex:* $2.50 per 1000 gallons October-May  
$3.50 per 1000 gallons June-August

**Surcharge**  A separate charge added to existing rate structures to recover revenues for a specific purpose (drought, seasonal, etc.).
*Note:* A surcharge may be considered the same as an Excess Use Rate or Seasonal Block Rate.

**Uniform Rate**  A rate that that stays the same for each unit of consumption.
*Ex:* $3.00 per 1000 gallons

**Water Budget Rate**  An increasing block rate structure designed specifically for each residence’s individual needs.

(Sources: Alliance for Water Efficiency, American Water Works Association, and the California Urban Water Conservation Council.)