

## **Water Rate Structure Definitions**

<b>Declining Block Rate</b>	A rate that decreases as water consumption increases. <i>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</i>
<b>Drought Demand Rate</b>	A rate that increases during shortage events to reflect scarcity value.
<b>Excess Use Rate</b>	A rate that adds an additional price for use above a certain level of consumption.
<b>Fixed Rate</b>	A flat rate that stays the same regardless of the amount of consumption. <i>Ex: \$40 total regardless of amount used</i>
<b>Inclining Block Rate</b>	A rate that increases as water consumption increases. <i>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</i>
<b>Seasonal Block Rate</b>	A rate that is higher during peak use periods. <i>Ex: \$2.50 per 1000 gallons October-May \$3.50 per 1000 gallons June-August</i>
<b>Surcharge</b>	A separate charge added to existing rate structures to recover revenues for a specific purpose (drought, seasonal, etc.). <i>Note: A surcharge may be considered the same as an Excess Use Rate or Seasonal Block Rate.</i>
<b>Uniform Rate</b>	A rate that stays the same for each unit of consumption. <i>Ex: \$3.00 per 1000 gallons</i>
<b>Water Budget Rate</b>	An increasing block rate structure designed specifically for each residence's individual needs.