

Explanation of methodology for calculating averages for MT Rate Study Report:

Table 1 shows monthly bill averages for water and wastewater systems throughout the state based on 6,000 gallons of wastewater usage and 10,000 gallons of water usage. It also shows the average percent of the MHI (Median Household Income) compared to the monthly bill for each of the three size categories, >7,500, 500>7,500 and <500.

The average bill for that size category was found by adding up the monthly bill amounts for either 6,000 or 10,000 gallons of usage and dividing that number by the number of communities in that size category. For example, for the monthly water bill for communities over 7,500, I added up the amount charged for 10,000 gallons of usage for all 10 systems and divided that number by 10, which resulted in an average of \$38.46.

For the percent of MHI, I found the percent of the MHI for each system by multiplying the monthly bill for 10,000 gallons of usage (for water) by 12 and dividing by the MHI listed. To find the average within that size category, I added all of the percentages together and divided by the number of systems in that size category. Averages were found this same way for water and wastewater systems of all sizes that provided the appropriate data to make this averaging process feasible.

Median monthly bill and bill ratio compared to the MHI for each size category:

After reviewing the report RCAC submitted, our CEO also recommended finding the median for each size category to see how this number compares to the averages. Below is Table 1 (for reference) and a new table similar to table 1 showing the median bill based on 10,000 and 6,000 gallons of usage (water and wastewater respectively) as well as the median of the percentages of the MHI.

It is worth noting that with only one exception the median rates are significantly less than the average rates. On the water rate side, the median rates and percentages are much closer for all community sizes, while on the wastewater side the median rates and percentages are all uniformly lower.

Population	Monthly Water Average (\$)	Water Average (% of MHI)	Monthly Wastewater Average (\$)	Wastewater Average (% of MHI)
> 7,500	\$38.46	1.1%	\$26.29	0.8%
500-7,500	\$40.57	1.3%	\$36.27	1.1%
< 500	\$50.19	1.7%	\$25.53	0.9%
Overall Average:	\$45.43	1.5%	\$29.36	0.9%

Population	Monthly Water Median (\$)	Water (Median % of MHI)	Monthly Wastewater Median (\$)	Wastewater (Median % of MHI)
> 7,500	\$42.35	1.3%	\$22.60	0.8%
500-7,500	\$39.86	1.1%	\$34.57	1.0%
< 500	\$44.63	1.4%	\$22.50	0.7%
Overall Median:	\$41.96	1.3%	\$27.78	1.0%