

What is and why do I pay a “*Ready to Serve*” Charge?

The "***Ready to Serve***" charge is a monthly fee designed to cover the costs of maintaining and supporting the utility systems that benefit our customers. This fee applies regardless of whether you use electricity, water, or sewer services. Understanding this charge can help clarify why it is a fair method for covering the ongoing costs of providing these essential services to our community.

Utilities, such as the Board of Public Works (BPW), incur two main types of expenses: usage costs and fixed costs. Usage costs are based on the actual consumption of water, wastewater, or power. In contrast the "***Ready to Serve***" charge covers fixed costs, such as maintaining infrastructure, overhead, and long-term debt. This includes upkeep of the wastewater treatment plant, water treatment plant, pumping stations, water wells, electrical transmission lines, transformers, miles of water mains, sewer mains, and fire hydrants. Overhead expenses encompass office staff, facilities, and rent for office space at City Hall. Additionally, a significant portion of BPW's debt comes from funds borrowed through the State of Delaware Revolving Funds to finance capital projects for the electric, water, stormwater, and sewer departments. These fixed costs ensure our utilities are "***Ready to Serve***" when needed and are incurred year-round.

The "***Ready to Serve***" charge for water and sewer services on your bill is determined by the size of your meter. For electric services, this charge is based on the property's classification. The size of a building's meter is usually based on the expected consumption, as estimated by the contractor who built the building. Regardless of your actual usage, as long as the meter is installed, you will incur this service charge.

The "***Ready to Serve***" charge helps spread fixed costs evenly among all customers throughout the year. If we removed this charge and added it to the usage fee, the cost per unit of water, wastewater, or power would increase greatly. This charge ensures everyone contributes fairly, keeping services available when needed.

If you have further questions about the basis for the "***Ready to Serve***" charge, or any other topic, please contact Lewes BPW office at 302-645-6228 or go to: www.lewesbpwde.gov.

