

FY 2019 Sewer and Water Rates




Simple Formula



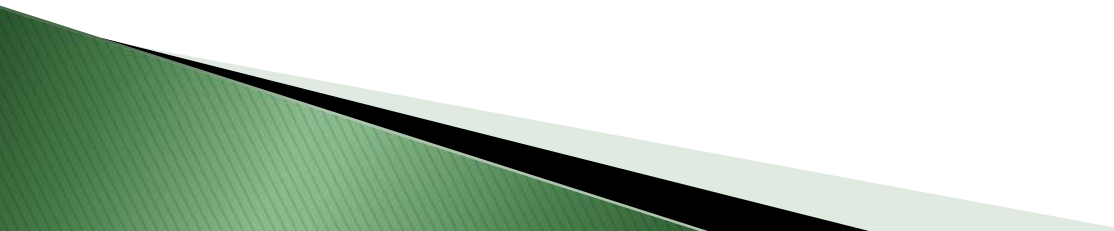
$$\begin{array}{r} \text{FIXED COST} \\ + \text{VARIABLE COST} \\ \hline \text{TOTAL COST} \end{array}$$

What is a fixed cost?

- ❑ Debt Service
 - ❑ Capital Improvements
 - ❑ Indirect Costs
 - Billing and administration of accounts since the services are contracted out
 - No in-house infrastructure so town departments must perform duties
 - ❑ Contracts
 - Any prior contracted amount with these companies must be honored
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What is a variable cost?

- Any cost that is subject to change
 - Utilities
 - Treatment Chemicals and Supplies

 - Consumption
 - Overall consumption impacts rate
 - Budget /Consumption
 - Greater the consumption moderates the rate
 - Lesser the consumption greater the rate
 - Individual households and businesses use different amounts of water/sewer services
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Current Rate Changes

- ❑ Rate changes are based on increased costs

- ❑ Fixed Costs that have increased
 - Capital improvements
 - Contracted increases with service providers
 - State mandates/increased regulations
 - Indirect costs



2019 Sewer Budget

Total Sewer Budget	\$4,548,655
Sewer Budget Change	\$46,391

- ▶ Capital Budget \$240,000
- ▶ Operations (\$27,917)
- ▶ Debt (\$178,282)
- ▶ Indirect Costs \$12,590



2019 Water Budget

Total Water Budget	\$3,894,683
Water Budget Change	\$10,448

- ▶ Capital Budget \$16,000
- ▶ Operations \$19,553
- ▶ Debt (\$37,697)
- ▶ Indirect Costs \$12,592

Bottom Line

- ▶ Water Rates +1%
- ▶ Sewer Rates +2%



Single Family Utility Usage

Usage per Quarter

Single family consumption amount
in cubic feet with a 5/8 meter

1,400 CF

		per Quarter	per Month
Current Water Charge		\$116.35	\$38.78
Current Sewer Charge		<u>\$143.18</u>	<u>\$47.73</u>
Total Charge if Both		\$259.53	\$86.51
With New Rates			
Water Charge	+1%	\$117.52	\$39.17
Sewer Charge	+2%	<u>\$146.09</u>	<u>\$48.70</u>
Total Charge if Both		\$263.61	\$87.87
Change:			
Water		\$1.17	
Sewer		\$2.91	

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