

# Proposed FY 2023 Sewer and Water Rates

An Easy-to-Understand Guide  
for Southbridge, MA Residents



# Simple Formula

- Formula determined by a rate structure study, based on sound research

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

# 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=another town department must perform duties
- ❑ Contracts
  - Any prior contracted amount with these companies must be honored

# What is a variable cost?

## □ Any cost that is subject to change

- Utilities (electricity)
- Treatment Chemicals and Supplies
- Fuels (gas)

## □ Consumption Rate

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

# Current Rate Changes

- ❑ Rate changes are based on the changes in consumption and increases in costs
- ❑ Fixed Costs that have increased
  - Contracted increases with service providers (5%)
  - State mandates/increased regulations that cost extra money
  - Debt payments on facilities or capital improvements

# Consumption and Revenue

Fiscal Year 2022 (7-1-2021 to 6-30-2022)

## ▶ Water

Consumption	YTD Billed Revenue
-1.73%	+2.20%

## ▶ Sewer

Consumption	YTD Billed Revenue
-5.53%	-1.76%

- Comparison of Fiscal Years 2021 to 2022 through 4 quarters

## **Bottom Line:**

**The more you use, the more you pay**





# Southbridge Median Single Family Utility Usage

## Usage per Quarter

Median single family consumption amount 1,400 CF in cubic feet with a 5/8 meter (114 gallon per day or 10,472 gallon per quarter)

	per Quarter	per month	per Day
Current Water Charge	\$122.29	\$40.76	\$1.33
Current Sewer Charge	<u>\$158.03</u>	<u>\$52.68</u>	<u>\$1.72</u>
Total Charge if Both	\$280.32	\$93.44	\$3.05
	(\$0.0267 per gallon of water and sewer)		
With New Rates			
Water Charge +1%	\$ 123.51	\$41.17	\$1.34
Sewer Charge +2%	<u>\$ 161.19</u>	<u>\$53.73</u>	<u>\$1.75</u>
Total Charge if Both	\$ 284.70	\$94.90	\$3.09
	(\$0.0272 per gallon of water and sewer)		
Combined Change if Both	+1.5%		
Increase per Quarter		\$4.38	
Increase per Month		\$1.46	
Increase per Day		\$0.04	



# FY 2023 Water Rates

Water Rates			
	1% Increase Amount		
	Current Rate	Proposed Rate	
Metered Quarterly Consumption	FY 22	FY 23	Amount Changed
First 500 cubic feet	\$3.43	\$3.46	\$0.03
Next 3500 cubic feet	\$4.00	\$4.04	\$0.04
Next 15000 cubic feet	\$4.74	\$4.79	\$0.05
Next 81000 cubic feet	\$5.67	\$5.73	\$0.06
Over 100000 cubic feet	\$6.65	\$6.72	\$0.07
<b>Quarterly Base Charge</b>			
<b>Meter Size</b>			
5/8 inch	\$69.14	\$69.83	\$0.69
3/4 inch	\$76.04	\$76.80	\$0.76
1 inch	\$96.80	\$97.77	\$0.97
1 1/2 inch	\$124.40	\$125.64	\$1.24
2 inch	\$200.54	\$202.55	\$2.01
3 inch	\$760.55	\$768.16	\$7.61
4 inch	\$967.97	\$977.65	\$9.68
6 inch	\$1,451.97	\$1,466.49	\$14.52
8 inch	\$2,005.09	\$2,025.14	\$20.05

# FY 2023 Sewer Rates

Sewer Rates			
	2% Increase Amount		
	Current Rate	Proposed Rate	
Metered Quarterly Consumption	FY22	FY23	Amount Changed
First 500 cubic feet	\$4.30	\$4.39	\$0.09
Next 3500 cubic feet	\$5.88	\$6.00	\$0.12
Next 15000 cubic feet	\$7.76	\$7.92	\$0.16
Next 81000 cubic feet	\$11.54	\$11.77	\$0.23
Over 100000 cubic feet	\$15.60	\$15.91	\$0.31
<b>Quarterly Base Charge</b>			
<b>Meter Size</b>			
5/8 inch	\$83.61	\$85.28	\$1.67
3/4 inch	\$92.23	\$94.07	\$1.84
1 inch	\$117.06	\$119.40	\$2.34
1 1/2 inch	\$150.52	\$153.53	\$3.01
2 inch	\$242.52	\$247.37	\$4.85
3 inch	\$919.57	\$937.96	\$18.39
4 inch	\$1,170.63	\$1,194.04	\$23.41
6 inch	\$1,756.06	\$1,791.18	\$35.12
8 inch	\$2,425.01	\$2,473.51	\$48.50
unmetered	\$178.29	\$181.86	\$3.57

# SERVICE FEE CHANGES

- Water and Sewer service fees have not been adjusted in over ten years.
- Summary of the modifications are as follows:
  - Water – Curb Cock shut off and turn on fee - \$50 ea during normal working hours.
  - Illegal Water & Sewer Use Charge - \$500 1<sup>st</sup> offense up to \$1500 for 2<sup>nd</sup> offense
  - Application fees increased 25% for both Water and Sewer
  - Cross connection survey - flat fee \$75/ea
  - Final Water and Sewer charges - \$50/ea
  - Fire protection service charges – increased 1%