



# Water Sewer Rates Hearing

May 10<sup>th</sup>, 2021



# Water/Sewer Rates

- Town has approximately 3,700 water and 3540 sewer accounts.
- Town conducted a rate study issued in November 2016 by Municipal Finance Services Group (MFSG).
- Rates last adjusted October, 2019.
- Rate increase proposal – Water rates increase 11.2%, Sewer rates increase 19.85%. Totals \$44.80 per quarter for a 12,000 gallon per quarter user.
- Service fee increase - \$1.00 per quarter for Water Fund (covers Administration and Billing costs)
- Rate increase percentages do not mean bills increase by same percentage.



# Water/Sewer Rates

- Town under continuing EPA mandates to end Combined Sewer Overflows (CSOs) and meet requirements of new NPDES permit. New WWTF and Main Pump Station now online and fully operational.
- Operating costs of new WWTF include solids handling and disposal, sludge removal from lagoons, additional operators. Debt service payment on new facility 3.5 million per year for 20 years.
- Town has not received SAG (State Aid Grant) funding to offset portion of WWTF; loss of \$800K +/- per year.
- Approved Sewer Projects – Salem Street Utilities Project, Westside Drive Sewer project, Squamscott River Siphons project.
- Town has attempted to lower costs of WWTF by accepting septage from private haulers – estimated \$150,000 increase in revenue.



# Water/Sewer Rates

- Water projects include Groundwater/Surface Water assessment -\$800,000
- Groundwater Development Program - \$1,000,000
- Capital Outlay – Cleaning of Surface Water Treatment Plant lagoon and upgrades at the Surface Water Treatment Plant - \$500,000
- Rate increases recommended to be implemented with July billing; each district would be billed twice at new rates in 2021.

# Water/Sewer Rates Hearing 2021

## Proposed Water/Sewer Fee Updates

### Public Hearing

May 5<sup>th</sup>, 2021

#### Current Fees

##### Water Rates

Tier 1	Up to 21,000 gallons quarterly usage
Tier 2	21,001 to 105,000 gallons quarterly usage
Tier 3	Above 105,000 gallons quarterly usage

##### Current Rates

8.38 per 1,000 gallons
10.48 per 1,000 gallons
12.57 per 1,000 gallons

##### Proposed Rates

9.32 per 1,000 gallons
11.66 per 1,000 gallons
13.98 per 1,000 gallons

##### Sewer Rates

Tier 1	Up to 21,000 gallons quarterly usage
Tier 2	21,001 to 105,000 gallons quarterly usage
Tier 3	Above 105,000 gallons quarterly usage

##### Current Rates

13.63 per 1,000 gallons
17.04 per 1,000 gallons
20.45 per 1,000 gallons

##### Proposed Rates

16.34 per 1,000 gallons
20.42 per 1,000 gallons
24.51 per 1,000 gallons

##### Water Service Fees

##### Current Rates

\$42 per quarter

##### Proposed Rates

\$43 per quarter

##### Sewer Service Fees

##### Current Rates

\$41 per quarter

##### Proposed Rates

\$41 per quarter

Sewer Flat Rates: \$238.75 per quarter (1BR, rate increases with additional bedrooms)

Note: New rates proposed to be implemented with the first billing cycle in July, 2021

# Water/Sewer Rates Hearing 2021

## TOWN OF EXETER - WATER/SEWER BILL SAMPLES

<b>Water/Sewer Bill Sample - Rates as of May 2021</b>				
	<b>Water</b>	<b>Sewer</b>	<b>Quarterly Bill</b>	<b>Annual Bill</b>
Usage/Gallons per quarter	12,000	12,000		
Divided/1000 (to get per 1,000 rate)	12.00	12.00		
Total Usage Charge	100.56	163.56		
Total Service Fee	<u>42.00</u>	<u>41.00</u>		
Total Fee (Water/Sewer)	142.56	204.56	347.12	1,388.48
Rates: \$8.38 per 1,000 water, \$13.63 per 1,000 sewer				

<b>Water/Sewer Bill Sample - Proposed Adjustment</b>				
	<b>Water</b>	<b>Sewer</b>	<b>Quarterly Bill</b>	<b>Annual Bill</b>
Usage/Gallons per quarter	12,000	12,000		
Divided/1000 (to get per 1,000 rate)	12.00	12.00		
Total Usage Charge	111.84	196.08		
Total Service Fee	<u>43.00</u>	<u>41.00</u>		
Total Fee (Water/Sewer)	154.84	237.08	391.92	1,567.68
	<b>8.61%</b>	<b>15.9%</b>	<b>12.9%</b>	
Quarterly Increase by category	12.28	32.52	44.80	
Rates: \$9.32 per 1,000 water, \$16.34 per 1,000 sewer				
Percent Increases: 11.2% water 19.85% sewer				



# Water/Sewer Rates Hearing 2021

- ▶ Town uses increasing block rate structure to encourage conservation.
- ▶ Rate adjustments utilized to prevent funds from falling into a revenue deficit.
- ▶ Rates adjusted along with budget and need to be adjusted in advance to ensure stability of rate revenue.
- ▶ At any given time in the collections cycle there is typically 1 million dollars in receivables (current billing plus late bills).
- ▶ With rate adjustments revenues should be reviewed as they are based on water use, which may change due to various factors.
- ▶ Future mandates not accounted for: water rulemaking lowering PFAS and PFOA standards. Results not yet known.