



CREATING A NEW BUDGET, CAP FOR
RESIDENTIAL WASTEWATER
ACCOUNTS AND ANNUAL
UPDATE TO THE RESIDENTIAL
WASTEWATER WINTER
AVERAGE

TOWN COUNCIL MEETING
JUNE 2, 2021



PURPOSE OF PRESENTATION

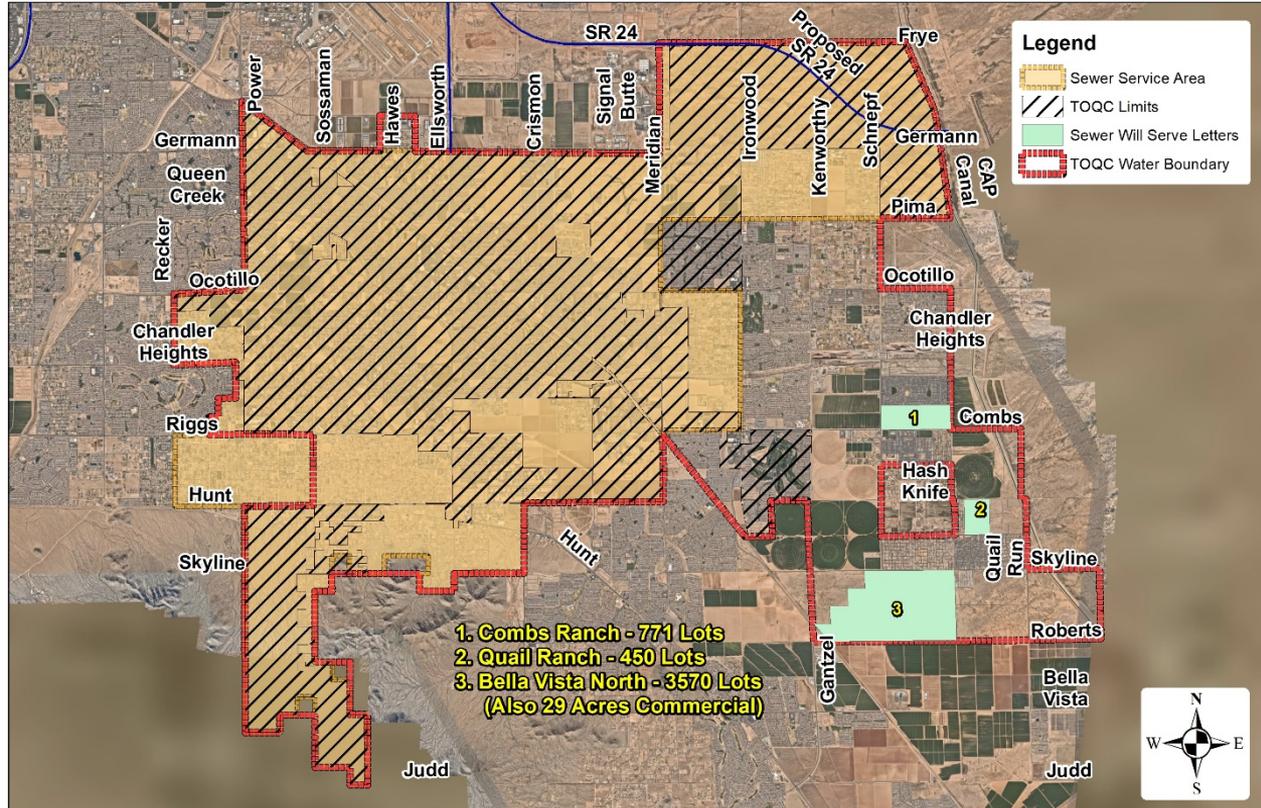
- Review Utility Background Information
- Recommendations
 1. Create a Bill Cap for Residential Wastewater Accounts
 2. Annual Update to the Residential Wastewater Winter Average



WASTEWATER UTILITY OVERVIEW

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- Sewer Service Area: 51.7 Square Miles
- ~16K Accounts



RESIDENTIAL WASTEWATER BILL

- Wastewater Flow to the Treatment Plant Not Metered
- As such, “Winter Average” Used to Approximate Flow to Treatment Plant to Recover Treatment Costs
- “Winter Average”
 - 70% of 3-Month Average Water Consumption (December, January, and February)
 - “Lowest” Water Usage

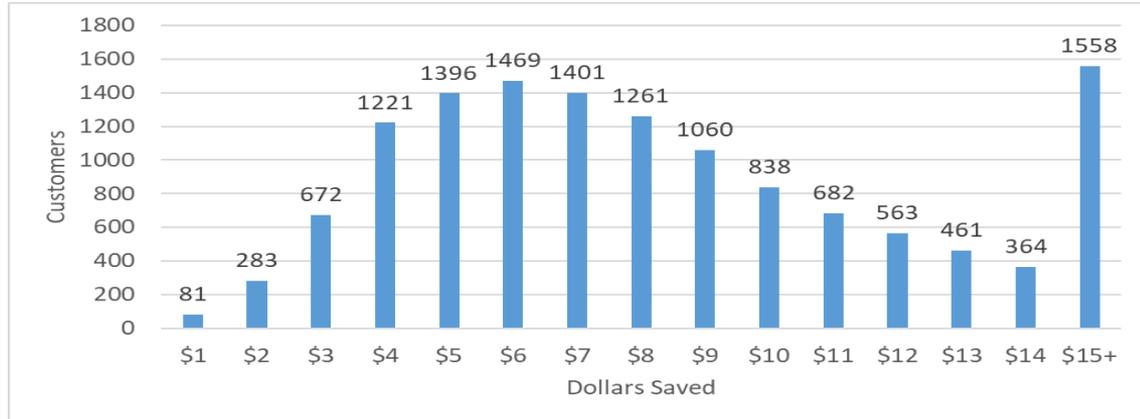


EXAMPLE: MONTHLY WASTEWATER BILL

1. Base Rate	\$10.25	\$10.25
2. Consumption 2021 Average Winter Water Use* 70% Flow Factor \$4.82 per 1,000 Gallons	8,216 Gallons x 70% = 5,751 Gallons \$4.82 x 5.75 =	<u>\$27.72</u>
Monthly Bill		\$37.97

WASTEWATER RATE HISTORY

- 2011 to 2014: 43% Aggregate Rate Increase
 - 9.5% Annual Increase
- 2019: 15% Rate Reduction (\$1.3M Savings)
 - Account Reduction Varied based on Water Usage
 - A Majority of Bills Were Reduced by \$4 to \$8 per Month (Specific Amounts in Schedule Below)

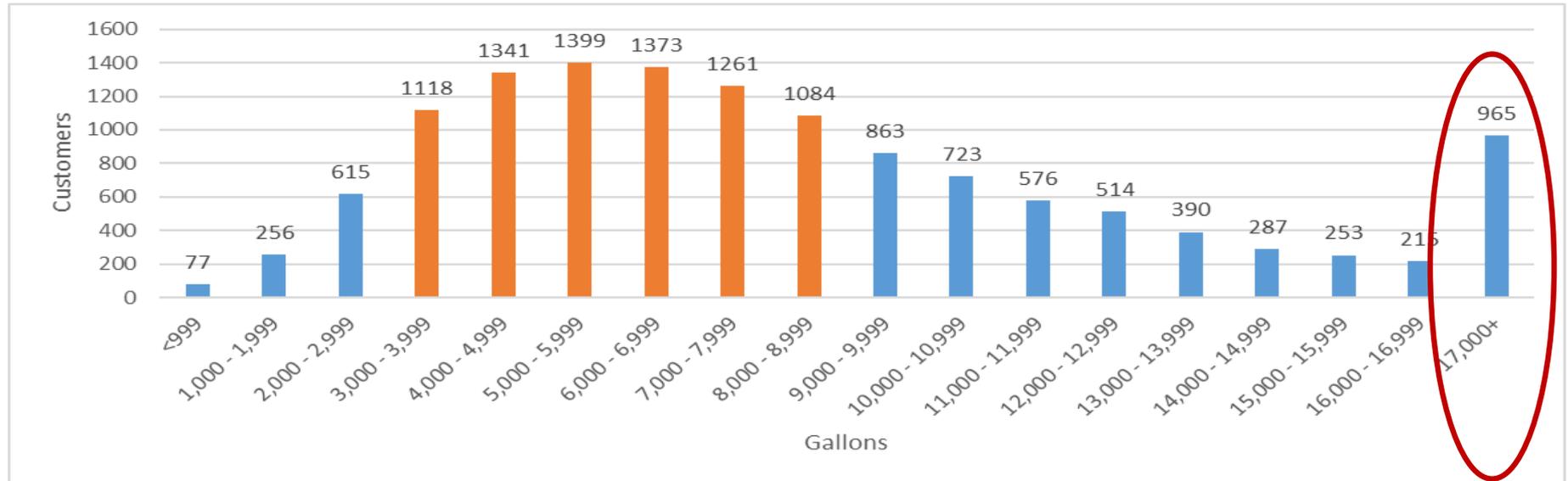




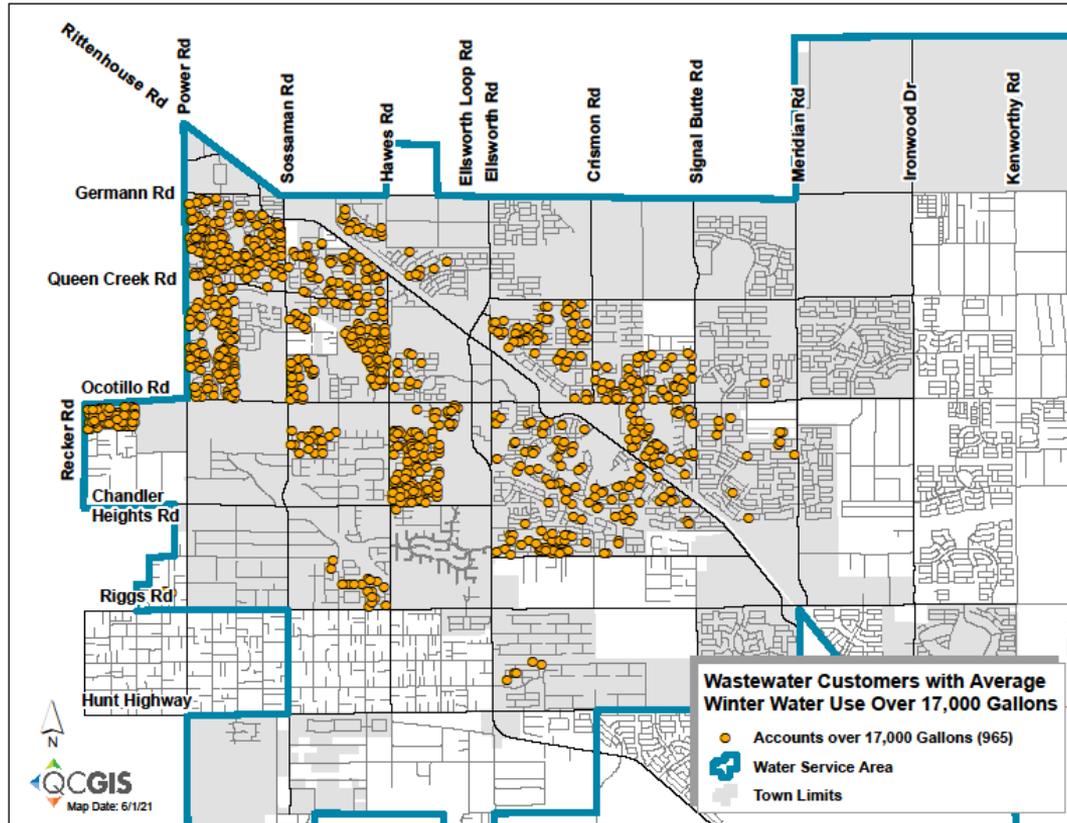
1. RECOMMENDATION TO CREATE A CAP FOR RESIDENTIAL WASTEWATER ACCOUNTS

CAP RECOMMENDATION

- Create Account Cap at 17K Gallons
- 17K+ Gallons is the Result of Outdoor Watering (Does not Flow to the Treatment Plant so Treatment Costs are Not Incurred)

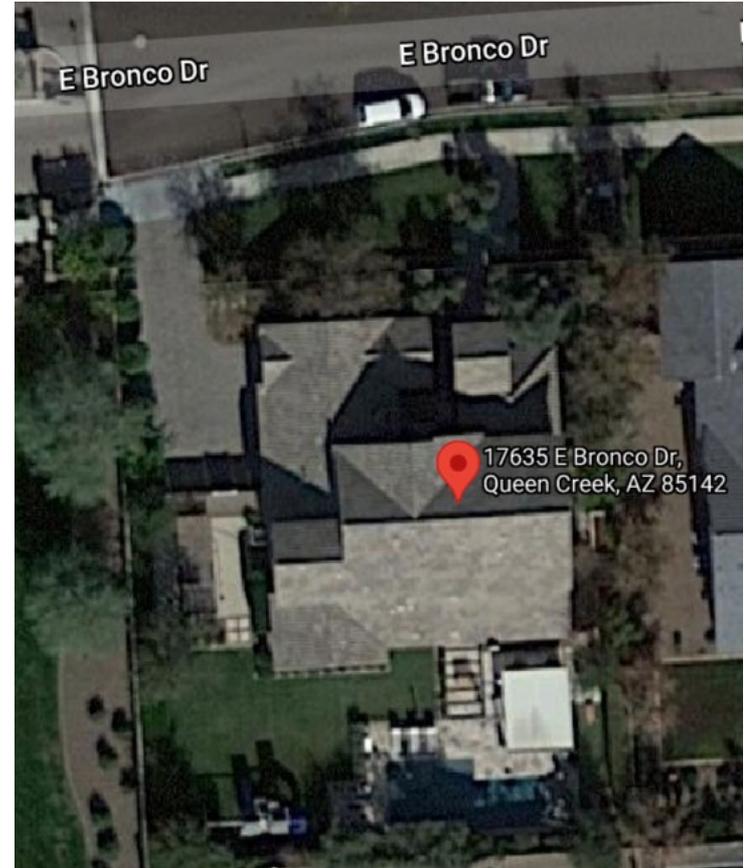


>17K GALLONS PER MONTH: 965 ACCOUNTS



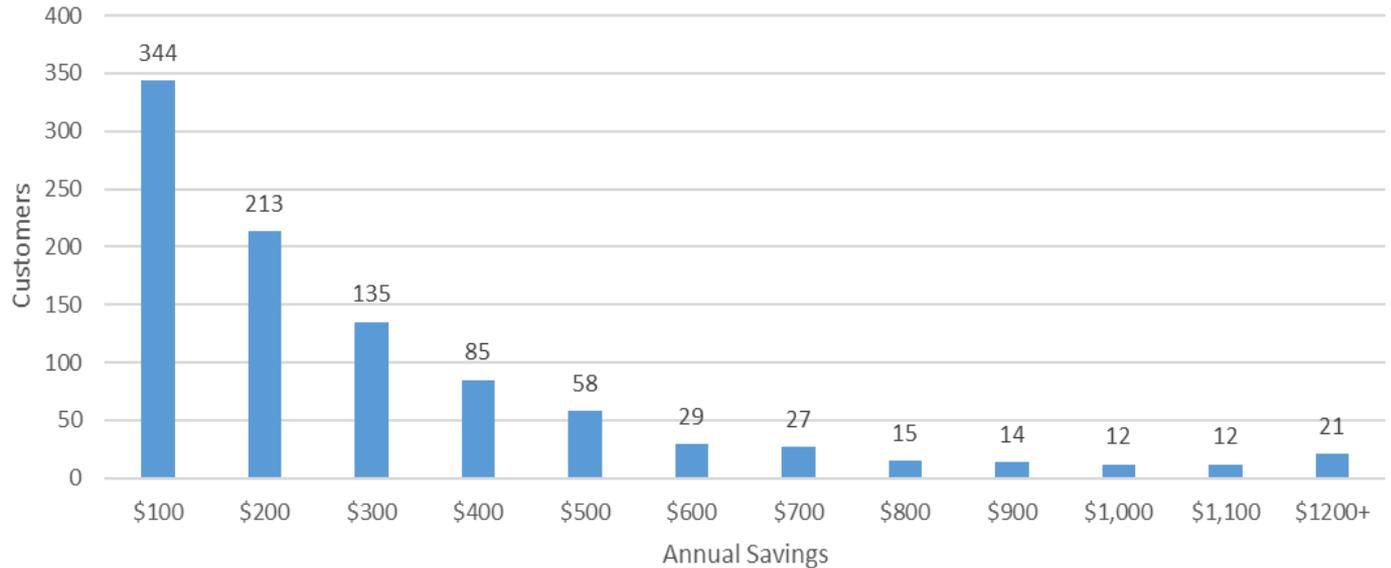
WASTEWATER CAP EXAMPLE

- Current
 - Water Use = 55K Gallons
 - Monthly Bill = \$195
- Proposed Cap
 - Wastewater Cap = 17K Gallons
 - Capped Bill = \$68
- Savings
 - Monthly = \$127
 - Annual = \$1,524



WASTEWATER CAP ACCOUNT SAVINGS

- Accounts Impacted : 965
- Annual Savings: \$250K





2. ANNUAL UPDATE TO RESIDENTIAL WASTEWATER WINTER AVERAGE

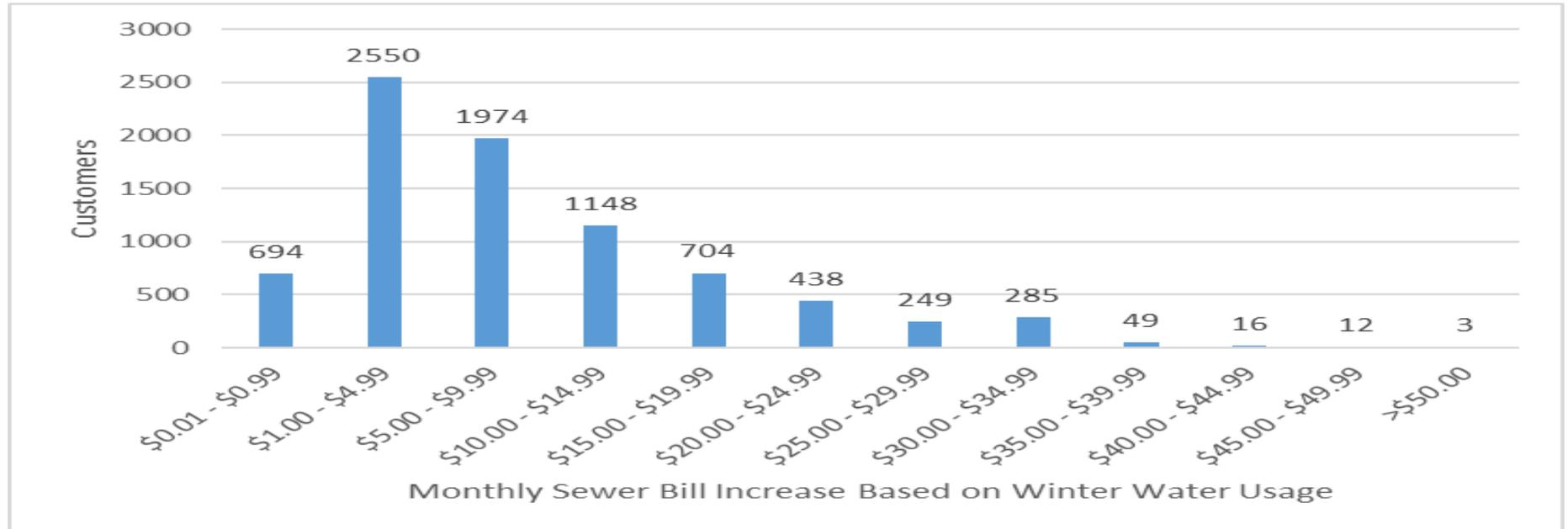
2021 WINTER AVERAGE

- Individual Bill Changes Varies Based on Water Usage
- Accounts Increasing: ~60%
 - Why the Increase?
 - COVID – More People Working from Home
 - New Meter Replacements
- Accounts Decreasing: ~40%
- Annual Net Increase: ~\$335K



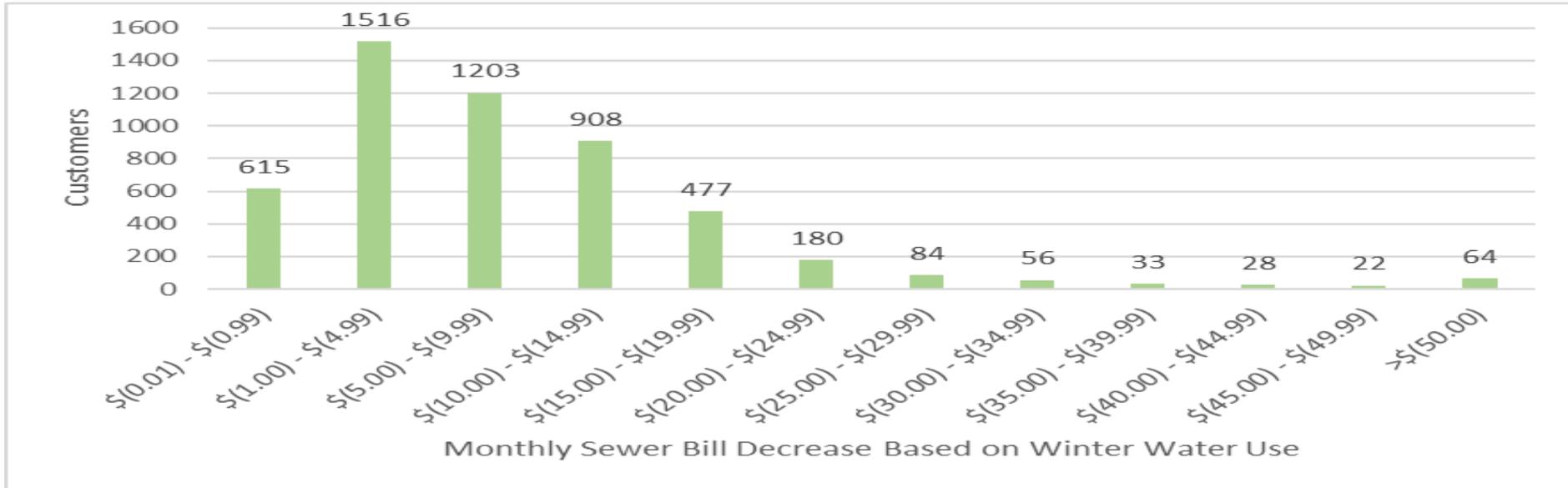
2021 ACCOUNT BILL INCREASES

56% of Monthly Bills that Increase will do so between \$1.00 and \$10.00



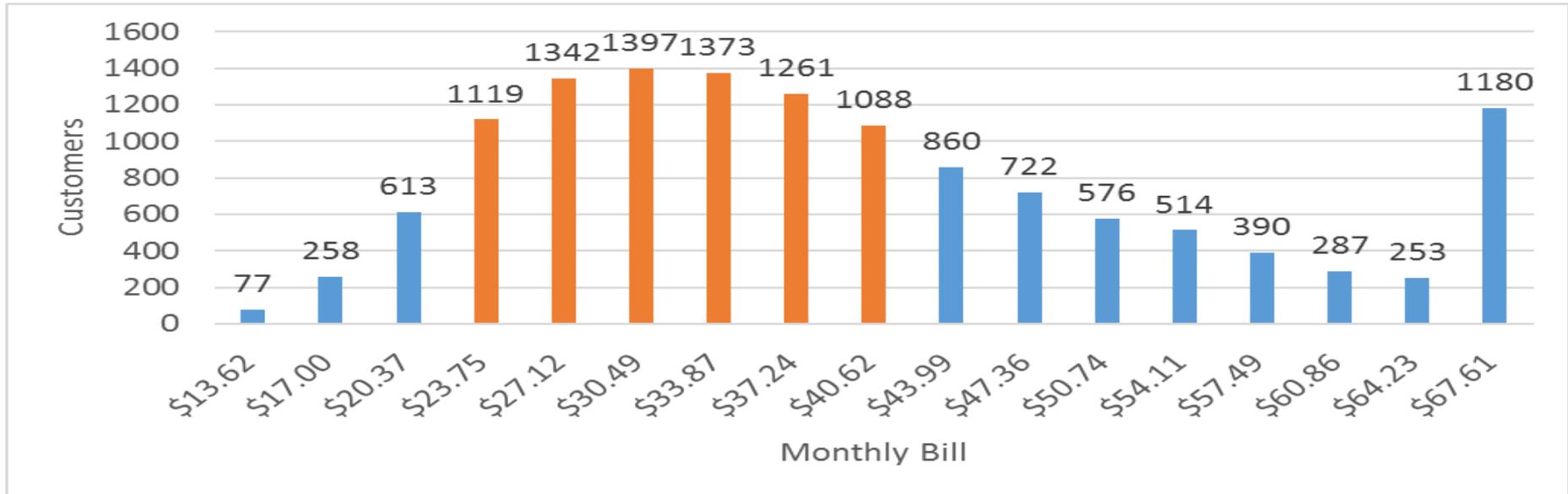
2021 ACCOUNT BILL DECREASES

52% of Monthly Bills that Decrease will so between \$1.00 and \$10.00



2021 MONTHLY RESIDENTIAL BILLS

57% of Monthly Account Bills Will Be Between \$23.75 and \$40.62



CALENDAR

June 2 Town Council Meeting

- Items for Discussion

July 21 Town Council Meeting

- Town Council Action Not Required Related to Winter Average Update (Flow Only, No Rate Change)
- Adopt Ordinance to Create New Wastewater Cap
 - Ordinance will Include an Emergency Implementation Clause and Requires Supermajority Approval

July Utility Bill

- Will Reflect New Winter Average Amounts and Wastewater Cap





DISCUSSION AND QUESTIONS