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Memo

To: Selectboard

From: Rocky Martin 
Buildings and Facilities Director

Date: June 3, 2014

RE: Water and Wastewater Rates FY 2014-2015

As proposed, Water budget for FY 15 would be \$360,614 including half of Shared Expenses. This does NOT include any expenses for new well and connection; these expenses would be covered through an SRF loan program. Recommendation is to leave water rates as they are now, \$72.00 per unit per quarter and \$0.035 per cu ft usage above 500 cu ft per quarter.

Please see attached water rate comparison for a few communities. Its tough to compare our rates with Burlington or communities that are part of Champlain Water District. Large communities and CWD have Lake Champlain as supply and can spread costs out over many customers with resulting lower rates. In the future, similar sized communities with their own source of water and distribution would make for a better comparison.

As proposed, Wastewater budget for FY 15 would be \$302,960 including half of Shared Expenses. This represents a 7% budget increase over FY 14. **Recommendation is to increase the Wastewater quarterly base fee by \$8.09 per unit to collect the necessary revenue. Wastewater rates would be: \$80.59/unit/quarter plus \$0.027 per cu ft usage.**

Please see attached wastewater rate comparison for a few communities. Including the proposed increase for FY 15, Hinesburg Wastewater rates are right in the middle of the pack of the communities listed.

Town of Hinesburg Water and Wastewater
Preliminary Rate Discussion May 27, 2014

Hinesburg		
Current rates (became effective July 1, 2013)		
Water	\$72.00	Per unit per quarter
	\$0.035	Per cu ft usage >500 cu ft/qtr
Waste-water	\$72.50	Per unit per quarter
	\$0.027	Per cu ft usage

Area Towns Comparison		
Annual Cost (use is 8000 cu ft per year)		
	Water	Wastewater
Hinesburg	\$498	\$538
Colchester		\$625
Shelburne	\$324	\$696
Richmond	\$624	\$846

Water Expenses	Budget 14	Budget 15	530 accounts with 797 units
	\$237,083	\$238,975	90% Resid., 8% Comm., 2% Institut.
1/2 Shared	\$127,750	\$121,639	Billed for 4,630,547 cu ft last year
	\$364,833	\$360,614	
Draft recommendation: Leave rates unchanged for FY 15			

Budget 15 does NOT include any expenses for new well and connection to system

Wastewater Expenses	Budget 14	Budget 15	445 accounts with 589 units
	\$156,165	\$181,321	80% Resid., 14% Comm., 6% Institut.
1/2 Shared	\$127,750	\$121,639	Billed for 3,264,840 cu ft last year
	\$283,915	\$302,960	7% increase \$19,045
Billing to 589 units; $\$19045/589 = \$32.33/\text{unit}/\text{year}$ increase ($\$8.09/\text{unit}/\text{quarter}$ increase)			
Draft recommendation: increase quarterly base rate to collect additional \$19045 revenue			
Annual cost (8000 cu ft/year) would be \$538.00			

Budget 15 (\$181,321) includes \$45,000 for sludge removal and \$20,000 for capital reserve

Wastewater Rate Comparison May 2014

Town	Current rate		Cost per 1,000 Gallons	Cost for 8000 cu ft or 59,840 gallons per year
Milton	\$38.72/unit/ qtr plus	\$3.98/1000 gals	\$6.57	\$393
Burlington	\$5.44	per 100 cu ft	\$7.27	\$435
Hinesburg (Proposed)	\$80.59/ unit/ qtr plus	\$.027/cu ft	\$9.00	\$538
Colchester	\$10.45	per 1,000 gals	\$10.45	\$625
Shelburne	\$11.63	per 1,000 gals	\$11.63	\$696
Richmond	\$14.13	per 1,000 gals	\$14.13	\$846

Water Rate Comparison May 2014

Town	Current rate		Cost per 1,000 Gallons	Cost for 8000 cu ft or 59,840 gallons per year
Milton	\$23.64/unit/ qtr plus	\$3.16/1000 gals	\$4.74	\$284
Burlington	\$3.50	per 100 cu ft	\$4.68	\$280
Shelburne	\$5.42	per 1000 gals	\$5.42	\$324
Hinesburg	\$72.00/unit/ qtr plus	\$.035/ cu ft over 500 cu ft	\$8.32	\$498
Richmond	\$10.43	per 1,000 gals	\$10.43	\$624

Town	Water	Wastewater	Total
	Cost for 8000 cu ft or 59,840 gallons per year	Cost for 8000 cu ft or 59,840 gallons per year	
Milton	\$284	\$393	\$677
Burlington	\$280	\$435	\$715
Hinesburg (Proposed)	\$498	\$538	\$1,036
Colchester		\$625	
Shelburne	\$324	\$696	\$1,020
Richmond	\$624	\$846	\$1,470