

MEMORANDUM

To: Evan Teich, Unified Manager and the Selectboard
From: Dennis E. Lutz, P.E., Public Works Director
Aaron Martin, P.E., Utilities Director/Town Engineer
Sarah Macy, Finance Director
Subject: FYE2021 Water and Sewer Budget and Rates
Date: ~~11 March 2020~~ (revised 7 April 2020)

ISSUE:

The issue is whether or not the Selectboard will approve the proposed water and sewer budgets including approval of the proposed rate structure for FYE2021, with the new rates to be reflected in the fall 2020 bills, starting with usage after the spring 2020 billings.

COMMENT: The Water and Sewer Budgets were completed and ready for submittal in March after Town meeting. Then COVID-19 made its appearance. The budget completed in March reflected the fact that CWD raised its water rates by 3.7%, The Village Wastewater Facility raised its rates by 1.9% and salary increases average approximately 3%. In Water, the combination of CWD and salaries account for over 84% of the total charges. Sewage rates are impacted in a similar manner. To keep the enterprise funds on track and solvent, increases in line with these set costs were requested. In my opinion, the March Budget numbers were and are appropriate to meet current costs.

However, once COVID-19 occurred, the landscape changed. In order to keep costs at the lowest possible level for customers and still maintain the systems and services for FYE21, cuts were made to bring the budget amounts requested to a 1% increase in each of these accounts. In my opinion, further cuts have the potential to jeopardize the financial well-being of these enterprise funds.

The rates will go into effect upon passage but the Town -wide impacts will only occur until the fall 2020 billing date.

In the narrative that follows, the red-lined numbers and words indicate what was presented in the first budget before the COVID-19 virus hit.

DISCUSSION:

WATER RATES: The FYE2021 proposed water budget has an overall ~~2.1%~~ -.2% increase in budgeted line items and a resulting rate percentage increase of ~~3.4%~~ 1%. The water rate increases over the past few years are as follows:

<u>Fiscal Year Ending</u>	<u>Rate Increase Over the Previous Year</u>
FYE21	3.4% 1% proposed
FYE20	2.6%
FYE19	3.0%
FYE18	2.5%
FYE17	1.4%

FYE16	3.7%
FYE15	6.0%
FYE14	3.3%
FYE13	7.5%
FYE12	7.2%

There is no proposed increase in the water initiation fees; the minimum water rate charge as recommended ~~increases by \$10/year from \$180 to \$190~~ remains at \$180/year

The water budget increase proposed for FYE2021 is impacted to a great degree by only two line items: ~~salary and benefit costs (84% of the budget increase) and water purchase costs from CWD (22% of the budget increase). The total of these two represent 106% of the budget increase.~~

SEWER RATES: The FYE2021 proposed sewer budget has an overall ~~1.8%~~ 0% increase in budgeted line items and a ~~2.9%~~ 1% corresponding increase in rates.

In a manner similar to the water budget, only a limited number of line items have a significant impact on the budget: ~~salary and benefit costs (70% of the budget increase), other purchased services (11% of the budget increase), repair and maintenance services (6% of the budget increase), and sewer stabilization fund (6% of the budget increase). These four line items account for 93% of the budget increase.~~

The sewer rate increases over the past few years are as follows:

<u>Fiscal Year Ending</u>	<u>Rate Increase Over the Previous Year</u>
FYE21	2.9% 1% proposed
FYE20	2.9%
FYE19	3.2%
FYE18	4.5%
FYE17	6.1%
FYE16	4.6%
FYE15	8.3%
FYE14	6.5%
FYE13	8.8%
FYE12	9.1%

There is no proposed increase in the sewer initiation fees.

GENERAL ISSUES (same as in FYE20):

The major issues that continue to impact the budget are:

- 1) The need to maintain the sewer and water funds on a firm financial basis by setting aside adequate funds for system stabilization (asset replacement).
- 2) The need to finish the meter replacement program (99% completed).
for more accurate verification of usage and billing as well as establishing the groundwork for future administration of accounts and billings.
- 3) The need to go to more billings per year (from two to three) for all customers.

- 4) The need to continue to reduce unaccounted for water/sewage.

System Stabilization/Elimination of Past Deficits:

The funds budgeted for system stabilization in both accounts for FYE2021 are close to the actual depreciation amounts identified in the Town audits. A comparison of budgeted system stabilization in each account versus actual expenditure is reflected in the following data:

System Stabilization Accounts

<u>Year</u>	<u>Water Budgeted</u>	<u>Water Actual</u>	<u>Sewer Budgeted</u>	<u>Sewer Actual</u>
FYE2011	\$50,000	\$139,475	\$45,000	\$139,475
FYE2012	\$97,500	\$147,864	\$97,500	\$147,864
FYE2013	\$136,000	\$148,000	\$138,000	\$147,966
FYE2014	\$148,000	\$145,834	\$148,000	\$145,834
FYE2015	\$138,000	\$138,000	\$158,000	\$158,000
FYE2016	\$138,000	\$138,000	\$158,000	\$158,000
FYE2017	\$130,000	\$150,000	\$150,000	\$150,000
FYE2018	\$125,000	\$150,000	\$175,000	\$150,000
FYE2019	\$150,000	\$150,000	\$150,000	\$150,000
FYE2020	\$158,000	\$157,747	\$158,000	\$157,747
FYE2021	\$160,000	TBD	\$160,000	TBD

The sewer and water accounts operated in a deficit for many years, dating back to the change in the rate structure done in 2004. At that time, the Town went away from a combination fixed charge/user fee rate system to a pure user rate system based on metered flow. With the metered flow type of billing and with the variability in water and sewer usage on a yearly basis, the sewer/water funds did not keep up with actual expenses. It has taken some time to correct the problem, but the accounts have been solvent since FYE2015. An indicator of the past problem is found under the actual interest payments for recently completed financial years under both accounts as noted:

<u>Fiscal Year</u>	<u>Sum of Interest on Deficits Paid in Water and Sewer</u>
FYE2020	\$ 0
FYE2019	\$ 0
FYE2018	\$ 0
FYE2017	\$ 0
FYE2016	\$ 0
FYE2015	\$ 0
FYE2014	\$ 773
FYE2013	\$ 84
FYE2012	\$1,060
FYE2011	\$2,104
FYE2010	\$4,730

2. Continuation and Completion of the Meter Replacement Program

Meter replacements are budgeted in the FYE2021 budget at a cost of \$23,240, 42% less than in the previous year. The Town has a current stockpile of new, residential meters on-hand to complete the system conversion but funds are needed for new building installation, NEMRIC annual fees and software costs associated with metering and replacement meters/large meters. There are still approximately 137 meters that need to be replaced. Changing over to the new meters was previously approved by the Selectboard. The new meters provide for more accurate readings and billings, greatly reduced meter reading time and associated administrative costs. They also increase the potential for billing to all users more often than twice a year. The proposal is to increase the billings to 3 times per year for residential customers. The larger meter uses are now being billed four times per year.

Retail Sale of Water/Sewage

The unaccounted for water and sewage rate calculated for the budget represents an economic loss rate and not the actual loss of unaccounted for water or sewage.

An error was found in the CWD readings at one meter vault between the Town and the Village and the error extended back into 2017. The Town was billed too high for water purchased and the Village too low. This 2 ½ year error has been corrected both for flows and billings. The chart that follows shows these corrected flows for 2017 and 2018.

In water, the amount purchased from CWD is based on weekly readings which provide very close to a 365 day average. The Town customer-billed water usage for 2019 is based on readings only twice per year and over a different time frame. Some adjustments have been made to reflect the average daily flow but the net result is an estimate and not hard data. The calculated loss rate is a very rough estimate of the loss and we believe a high estimate. The difference in flows approximates the difference between water purchased and water sold during the 12 months. Within this “revenue” loss stream there is water used for firefighting, water main and service connection breaks and hydrant flushing – losses which do not contribute revenue and not characterized as leaks. These uses do represent revenue loss.

In wastewater, a similar effect occurs with respect to billing periods. The wastewater billed flows have also been adjusted by the billing period.

System loss is an issue that is currently being worked on between Public Works and Finance. The following tasks are being initiated to reduce the loss rate and increase the billing revenue.

- 1). Review the recorded meter flow data from large users to determine if there is any inconsistencies.
- 2) Make a physical check of the large users systems to determine if the metering system is capturing all used water flows.
- 3) Work with Champlain Water District to determine if there are any other meter issues between CWD and the Town.
- 4) Walk the major cross country routes to determine if there are any obvious water or sewer system leaks.
- 5). Work with Vermont Agency of Natural Resources and the Rural Water Association to assist with leak detection efforts.

WATER

<u>Period</u>	<u>Purchased from</u> <u>CWD</u>	<u>Billed</u>	<u>Loss</u>	<u>Percentage of Loss</u>
Jan19- Dec19	758,164 gpd	631,000 gpd	127,164 gpd	16%
Jan18-Dec18	735,747 gpd	633,412 gpd	102,335 gpd	14%
Jan17-Dec17	755,430 gpd	679,677 gpd	75,753 gpd	10%
Jan16-Dec16	774,413 gpd	649,414 gpd	124,999 gpd	16%
Jan15-Dec15	762,425 gpd	624,253 gpd	138,172 gpd	18%
Jan14-Dec14	773,891 gpd	633,356 gpd	140,535 gpd	18%
Jan 13-Dec13	749,682 gpd	633,035 gpd	116,647 gpd	15%
Jan 12-Dec12	746,609 gpd	683,709 gpd	62,900 gpd	8.4%
Jan11-Dec11	777,621 gpd	654,000 gpd	123,621 gpd	16%
Jan10-Dec10	772,953 gpd	630,206 gpd	142,747 gpd	18.5%
Jan09-Dec09	692,058 gpd	634,102 gpd	57,956 gpd	8.4%
Jan08-Dec08	760,035 gpd	665,067 gpd	94,968 gpd	12%
Jan07-Dec07	745,371 gpd	657,548 gpd	87,823 gpd	12%
Jan06-Dec06	827,938 gpd	669,000 gpd	158,938 gpd	19%
Jan05-Dec05	843,507 gpd	672,000 gpd	171,507 gpd	20%
Jan04-Dec04	825,137 gpd	705,000 gpd	120,137 gpd	15%
Jan03- Dec03	924,482 gpd	673,382 gpd	251,100 gpd	27%
Jan02-Dec02	882,521 gpd	728,024 gpd	154,497 gpd	18%

Long-term average = 16%

SEWER

<u>Period</u>	<u>Metered Flow to</u> <u>EJWWTF</u>	<u>Billed to</u> <u>Users</u>	<u>Difference</u>	<u>Unaccounted</u> <u>Percentage</u>
Jan 19- Dec 19	502,497 gpd	421,000 gpd	81,497 gpd	16%
Jan 18- Dec 18	449,033 gpd	427,493 gpd	21,540 gpd	4.8%
Jan 17- Dec 17	432,501 gpd	422,267 gpd	10,234 gpd	2.4%
Jan 16- Dec16	423,233 gpd	422,267 gpd	966 gpd	1%
Jan 15-Dec15	428,502 gpd	412,390 gpd	16,112 gpd	4%
Jan 14-Dec14	462,942 gpd	411,826 gpd	51,116 gpd	11%
Jan13- Dec13	529,133 gpd	415,756 gpd	113,376 gpd	21%
Jan12- Dec12	475,047 gpd	438,086 gpd	43,124 gpd	9%
Jan11-Dec11	487,584 gpd	429,000 gpd	58,584 gpd	12%
Jan10-Dec10	446,119 gpd	419,528 gpd	26,591 gpd	6%
Jan09-Dec09	511,155 gpd	433,090 gpd	78,065 gpd	15%
Jan08-Dec08	532,301 gpd	435,816 gpd	96,485 gpd	18%
Jan07- Dec07	559,056 gpd	442,160 gpd	116,892 gpd	20%
Jan06- Dec06	624,004 gpd	447,192 gpd	176,812 gpd	28%
Jan05-Dec05	579,498 gpd	447,271 gpd	132,227 gpd	23%
Jan04-Dec04	589,883 gpd	439,049 gpd	150,834 gpd	26%
Jan03- Dec03	540,658 gpd	433,225 gpd	107,433 gpd	20%
Jan02-Dec02	532,056 gpd	437,660 gpd	94,396 gpd	18%

Long-term average = 14%

As stated in the budgets of previous years, both the water and sewer unaccounted for percentage numbers should be in the 15% range recognized nationally for a reasonably “tight” system. Work continues to be needed to identify both field losses and billing losses.

BUDGET ANALYSIS

The proposed budgets for FYE2021 compared to the current FYE2020 budgets are as follows:

Table 1. Budget Comparison

	<u>FYE2020</u>	<u>FYE2021</u>	<u>Increase/Decrease</u>	
Water (all but CWD)	\$502,873	\$528,443	\$511,886	+5.1% 1.2%
Water (Depreciation)	\$158,000	\$160,000		+1.3%
Water (CWD Water Purchase)	<u>\$667,245</u>	\$667,000	\$ 654,000	0% -2%
Total	\$1,328,118	\$1,355,443	\$1,325,886	+2.1% - .2%
Sewer (all but Village + Bradford)	\$481,481	\$504,601	\$487,158	+4.8% 1.2%
Sewer (Depreciation)	\$158,000	\$160,000		+ 1.3%
Sewer (Bond Payments)	\$ 31,200	\$ 33,320		+6.8%
Sewer (Village Treatment)	\$580,000	\$580,000	\$570,000	0% -1.7%
Sewer Village Bond)	<u>\$263,457</u>	<u>\$263,457</u>		0%
Total	\$1,514,138	\$1,541,378	\$1,513,935	+1.8% 0%

PROPOSED RATES

	<u>Existing</u>	<u>Proposed</u>
Water Operating	\$5.56/1000 gal.	\$5.75 \$5.62/1000 gal.
Water Initiation Fee	\$1,000 base fee per connection +\$5.73/gpd of capacity	\$1,000 base fee per connection + \$5.73/gpd of capacity
Minimum Water Charge Per Year	\$180	\$190 \$180
Sewer Operating	\$9.54/1000 gal.	\$9.82 \$9.64/1000 gal.
Sewer Initiation Fee	\$1000 base +\$10.30/gpd of capacity	\$1000 base+\$10.30/gpd of capacity
Interim or Final Billing request	No charge	\$35

METHODOLOGY FOR RATES

For previous fiscal years dating back to 1998, it was determined that the budgets would be split into the following categories:

1. Shared water and sewer costs (primarily fixed costs)
2. Water only costs
3. Sewer only costs

History of Shared Costs Splits

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	to	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water	60	61	55	55		55	53	53	53	54	58	58	58	58	57	57
Sewer	40	39	45	45		45	47	47	47	46	42	42	42	42	43	43

The first estimates for splitting of costs between water and sewer were based on a 50% water/50% sewer ratio (1998). The ratio was changed to a 55%/45% split in 2005 and remained at that level until 2011. In FYE2012, the percentage shifted to 53% water and 47% sewer and the proposed budget for FYE2014 retained this percentage split. The split in FYE2016 through FYE19 was set at 58%/42%.8

Using the calculations on rate setting later in this memo, a 57% water/43% sewer split was utilized. This closely approximates real shared costs percentages but also recognizes that the water and sewer bills should in a general sense reflect all costs including the costs increases for wholesale purchase of water and wholesale treatment of wastewater.

It is proposed for FYE2021 that the split be on a 57% water/43% sewer basis.

DEVELOPMENT OF WATER RATE

Assumptions:

1. Water Budget = ~~\$1,355,443~~ \$1,325,886
2. No Direct Debt - debt through CWD line item 51.43201.411 for the west end tank in Colchester.

3. Billed Water Usage

2005	672,000 gpd -
2006	669,000 gpd
2007	658,000 gpd
2008	665,067 gpd
2009	637,000 gpd
2010	630,206 gpd
2011	654,000 gpd
2012	683,000 gpd
2013	633,035 gpd
2014	633,356 gpd
2015	624,653 gpd
2016	649,414 gpd

2017	649,414 gpd
2018	633,412 gpd
2019	631,000 gpd
2020	650,000 gpd (estimated)
2021	645,000 646,000gpd

(proposed)

Calculation of Rate: Water budget = ~~\$1,355,443~~ \$1,325,886

1. $\frac{\$1,355,443}{365 \text{ days} \times \cancel{645,000 \text{ gpd}}} \times \frac{\$1,325,886}{646,000 \text{ gpd}} = \cancel{\$5.75} \$5.62/1000 \text{ gallons}$

The current rate is \$5.56/1,000 gal.; recommend an increase to ~~\$5.75~~ 5.62/1000 gallons (1% increase in rates).

2. The minimum water charge was kept level from FYE2016 through FYE2018. In earlier years, the minimum was equal to approximately 50% of the average daily family usage which would be 100 gpd. Based on discussions from the FY2019 budget, the minimum is recommended to **increase from \$180 per year to \$190 per year** remain at \$180 per year

Year	Minimum Charge	Water rate per 1000 gallons	Minimum if 100 gpd was used	Actual minimum as a % of 100 gpd
2013	\$160	\$4.45	\$162	99%
2014	\$165	\$4.60	\$168	98%
2015	\$165	\$4.88	\$178	93%
2016	\$165	\$5.06	\$184	90%
2017	\$165	\$5.13	\$187	87%
2018	\$165	\$5.24	\$191	86%
2019	\$170	\$5.42	\$198	86%
2020	\$180	\$5.56	\$203	89%
2021	\$190	\$5.75	\$210	90%

DEVELOPMENT OF SEWER RATE

Assumptions: 1. Sewer Budget Operating = ~~\$1,541,378~~ \$1,513,935

2. Sewer Usage (billed)

FYE2005	447,271 gpd
FYE2006	447,192 gpd
FYE2007	442,160 gpd
FYE2008	435,816 gpd
FYE2009	433,090 gpd
FYE2010	419,528 gpd
FYE2011	429,000 gpd

FYE2012	438,086 gpd
FYE2013	415,716 gpd
FYE2014	411,826 gpd
FYE2015	412,390 gpd
FYE2016	422,467 gpd
FYE2017	422,268 gpd
FYE2018	427,493 gpd
FYE2019	421,000 gpd
FYE2020	430,000 gpd (estimated)
FYE 2021	430,000 gpd (proposed)

Calculation of Rate: Sewer Operating Budget: ~~\$1,541,378~~ \$1,513,935

1.

$$\frac{\$1,541,378}{365 \text{ days} \times 430,000 \text{ gpd}} = \frac{\$1,513,935}{9.64/1,000 \text{ gal}}$$

2. The current rate is \$9.54/1,000 gal; increase the proposed rate to ~~\$9.82~~ \$9.64/1000 gal. (1% increase).

COSTS:

The proposed budget totals for FYE2021 are shown on the combined spread sheet.

EFFECT OF RATE CHANGE ON THE CURRENT USERS:

An average residential household would see the following change in costs on an annual basis:

Annual Usage:	200 gpd x 365 days per year = 73,000 gpd/year		
Existing Water bill:	\$405.88	Water Bill with Rate Change:	\$419.75 (\$13.87 yearly increase) \$410.26 (\$4.38 yearly increase)
Existing Sewer bill:	<u>\$696.42</u>	Sewer Bill with Rate Change:	\$716.86 (\$20.44 yearly increase) <u>\$703.72 (\$7.30 yearly increase)</u>
TOTAL	\$1,102.30	TOTAL	\$1,136.61 (\$34.31 yearly increase) \$1,113.98 (\$11.68 yearly increase)

Net increase: A ~~\$34.31~~ \$11.68 increase in both the water and sewer bill equates to a ~~3.1%~~ 1% total increase in residential charge for the year or a ~~\$2.86~~ \$.97/month increase. On a monthly basis, the monthly water cost for an average residential dwelling will be ~~\$34.98~~ \$34.19 and ~~\$59.74~~ \$58.64 for sewer. For the availability of clean drinking water and flushing toilets, this is a very low-cost utility charge compared to other utility costs, such as phone, internet, electrical, natural gas.

COMPARISON RATES TO OTHER COMMUNITIES:

Most other communities are in the process of setting rates at this time. The charts provided reflect existing rates as of December 2020 unless noted otherwise. Also, many municipalities have adopted a combined fixed and usage rate. In those cases, the rate numbers were adjusted based on an average 200 gpd usage.

Municipality	Water Rate per 1,000 Gallons
Shelburne	\$ 6.65
Milton	\$ 6.48
Burlington	\$ 5.94
Colchester FD #3	\$ 5.66
Essex (Proposed \$5.75-5.62)	\$ 5.56
Williston	\$ 5.37
Average Retail Rate	\$ 5.34
Winooski	\$ 5.30
Colchester FD#2	\$ 4.81
Colchester Town	\$ 4.74
Essex Junction	\$ 4.15
South Burlington	\$ 4.09
CWD Wholesale Rate	\$ 2.23

	Sewer Rate per 1,000 Gallons
Shelburne	\$ 13.15
Colchester (2019)	\$ 9.97
Essex (Proposed \$9.82 \$9.64)	\$ 9.54
AVERAGE Retail Rate	\$ 8.19
Burlington	\$ 8.29
Milton	\$ 8.04
Williston	\$ 7.87
Winooski (2019)	\$ 6.49
South Burlington	\$ 5.53
Essex Junction	\$ 4.83

In discussions with other utilities, some of the communities with lower rates do not appear to be accurately reflecting depreciation or replacement asset costs in their rates. Over a long period of time, systems will have to be replaced and the costs of replacements will most likely be paid for by greater costs of indebtedness.

INTERIM BILLING CHARGES

As an enterprise fund, the Water/Sewer fund is expected to be self-supporting through user fees. The majority of revenue in this fund comes from a regular billing cycle. The Town currently reads meters and issues bills two times a year in the normal cycle. When a request comes outside of this normal cycle to have a meter read and a partial bill produced this is referred to as an interim bill. Over the last year, to accommodate the high number of requests for interim bills, Finance has limited issuance to property transfers only. We continue to help property owners estimate their bill for tenant changes or other reasons, if they wish. There are undeniable costs associated with producing and tracking billings outside of the normal cycle. As a summary, an employee must travel to the property, collect a reading from the meter, and finance must calculate the usage, rate, and produce a physical bill. This interim bill exists outside of the billing system and as such is tracked manually. A copy is placed in the vault for title searchers and transmitted to the requester.

It is recommended beginning with the adoption of rates for FYE21, that the Town implement a \$35 fee for interim or final bill requests. This covers the cost of having a staff person collect an official meter reading and produce an additional bill outside of the normal cycle. Establishing this fee is in line with the way other communities handle interim billing and is consistent with the structure of the enterprise fund as self-supported through user fees.

The following is a summary of how some other communities handle these requests:

- ❖ Champlain Water District – Interim or Final Bill Requests \$10
- ❖ Winooski – \$35 for interim bills (charged is waived if there is no consumption because they have a policy that no bills will be issued for zero consumption)
- ❖ South Burlington – \$15 for Interim Bill Requests
- ❖ Milton – does not provide bill, assists with estimating
- ❖ Burlington - \$30 final meter reading fee when properties are sold
- ❖ St. Albans - \$35 interim billing fee (\$25 for the reading, \$10 for bill production)

SUMMARY:

The budget and rate development outlined in this memorandum follows the methods used in previous years. It uses the water meter as the only means of establishing usage and rates (except in a very few unique cases).

Billings are currently twice per year for all customers. In the proposed FYE21 budget, meters will be read and billed 3 times a year starting with the billings that follow approval of the budget (fall 2020). Larger users (meter sizes in excess of 1-inch meters) are currently being billed quarterly.

The Town is currently embarking on a number of significant changes involving consolidation of services with the Village. With these issues consuming a significant amount of staff time as well as Selectboard time, the issue of making significant changes to the method of billing should be postponed to a later date.

The staff believes that an alternative billing system to the 100% metered system should continue to be investigated for the future. Work will continue on this effort between the Finance Department and Public Works.

RECOMMENDATION:

It is recommended that:

- 1) This memorandum be placed on the Town website after the Budget is introduced at the ~~6~~ 28 April 2020 Selectboard Meeting (READING FILE) and
- 2) Discussion and presentation of the Budget occur as an Agenda item at the Selectboard meeting on May 12, 2020.
- 3) A public hearing be warned on the proposed Budget for ~~4-May~~ 26 May 2020 and
- 4) A Water/Sewer Budget be adopted by the Selectboard following the Public Hearing on May 26, 2020.

It is further recommended that, following the Public Hearing, the Selectboard approve the proposed budget as submitted, resulting in the following changes to the rate and billing structure:

1)Water Rates/Fees:

- 1) increase the water rate from \$5.56/1,000 gallons to ~~\$5.75~~ \$5.62/1,000 gallons
- 2) maintain the water initiation fee at \$1000 base fee per connection plus \$5.73/gpd of capacity
- 3) set the water minimum charge per year at ~~\$190~~ \$180.
- 4) bill all water users three (3) times per year starting after the spring 2020 billings.

2)Sewer Rates/Fees:

- 1) increase the sewer operating fee from \$9.54/1,000 gallons to ~~\$9.82~~ \$9.64/1,000 gallons
- 2) maintain the sewer initiation fee at \$1,000 base fee per connection plus \$10.30/gpd of capacity.
- 3) bill all sewer users three (3) times per year starting after the spring 2020 billings.

3) Interim or Final Billing request at \$35

Also, the rate change and interim/final billing request would go into effect on all water/sewer usage with the billing period starting after the spring 2020 billings. **The first Town-wide billing under the new rates would not occur until the fall of 2020.**

