

12/21/20 Sewer Rates - to be voted

Expense Summary

	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Category	Budgeted	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Alarm Services	576	351	276	276	270	264	264	258	252
Bill Printing	500	416	554	554	417	556	553	552	552
Dues	175	175	112	112	112	112	112	112	-
Electric	1,710	1,441	1,511	1,429	1,184	1,314	1,413	1,192	1,109
Inspections/Calibrations	700	100	-	100	50	-	100	685	100
I&I Work & Smoke Test	2,500	-	-	-	-	-	-	2,485	-
Maintenance	11,300	11,303	592	-	371	4,231	6,704	3,045	3,674
Mileage	1,700	2,016	1,566	1,037	969	1,027	1,076	1,038	1,127
Mowing	389	275	300	325	275	330	320	350	335
Other/Supplies	600	-	922	110	155	923	-	-	803
Payroll	12,000	11,651	11,460	9,907	10,547	10,688	11,456	11,110	9,303
Postage	350	-	-	-	-	59	-	32	-
Sewage Disposal	140,760	137,771	134,656	78,857	71,257	59,422	50,625	61,643	59,053
Telephone	240	225	212	228	227	227	225	222	225
Expenses grand total	173,500	165,725	152,160	92,934	85,834	79,152	72,848	82,724	76,534

Omnibus Budget Voted	173,500	163,100	99,065	96,065	92,585	87,865	87,865	79,230	79,042
Extra Voted to Budget	-	-	60,000	-	-	-	-	3,500	-
Budget minus Expenses	-	(2,625)	6,905	3,131	6,751	8,713	15,017	6	2,508

	Average								
% expenses - Sewage Disposal	79%	83%	88%	85%	83%	75%	69%	75%	77%
% all other expenses	21%	17%	12%	15%	17%	25%	31%	25%	23%
total all other expenses		27,954	17,504	14,078	14,578	19,730	22,222	21,081	17,480
incr all other expenses/prior yr	10.0%	59.7%	24.3%	-3.4%	-26.1%	-11.2%	5.4%	20.6%	11.1%

24-month total gallons sent to Montague	19,896,481	(Dec 2018 - Nov 2020)		
average gallons for 12 months	9,948,241			
estimated disposal cost - old rate \$13.22/1000	\$ 131,516			
(A) estimated disposal cost - NEW rate \$13.48	\$ 134,102		FY21 budget for non-disposal costs	\$ 32,740
budgeted for disposal	\$ 140,760		estimated disposal costs (new rate) (A)	\$ 134,102
expected shortfall	\$ (6,658)		contingency for nonpayments (11%)	\$ 18,400
			build reserves	\$ -
Montague rate increase	2.0%		total to bill	\$ 185,242

12/21/20 Sewer Rates - to be voted

Revenue Summary

There are currently 113 sewer accounts (as of 10/01/20).

Current Rate	0.3468 \$/cubic foot (adopted for bills in Dec 2019)
less 10% discount	0.0347 (all customers receive the discount)
Effective Rate	0.3121

Period	<u>Sewer Commitments - aka Invoices to Users</u>					*(only 10 months of billing fell in FY17 due to shift in quarterly cycle)				
	FY21	FY20	FY19	FY18	FY17*	FY16	FY15	FY14	FY13	
Invoiced amount		178,974.50	141,814.67	102,219.08	86,976.16	93,303.22	86,514.47	85,216.25	73,688.53	
Unpaid & placed onto real estate			11,670.33	13,651.61	15,547.57	8,011.57	6,356.65	10,273.96	8,582.68	
Unpaid percentage			8.2%	13.4%	17.9%	8.6%	7.3%	12.1%	11.6%	
			11.3% average of 7 years							

<u>Current Projected Revenue</u>		
RWD Water Use (current average)	11,771 gal/day	(average of last 8 quarters)
equals	4,296,415 gal/year	
equals	574,388 cu ft/year	
times current Effective Rate	0.31210 \$/cu ft	
= Total Invoiced to Sewer Users	\$ 179,266	

12/21/20 Sewer Rates - to be voted

Proposed Projected Revenue - FULL YEAR

Scenario A		
No Rate Change	0.3468	\$/cu ft
Effective Rate	0.3121	\$/cu ft
Estim. Total Full Year	\$ 179,266	

Scenario B		
Possible New Rate (+ 2 %)	0.3538	\$/cu ft
Possible Effective Rate	0.3184	\$/cu ft
Estim. Total Full Year	\$ 182,885	

Scenario C		
Possible New Rate (+ 3.5 %)	0.3589	\$/cu ft
Possible Effective Rate	0.32300	\$/cu ft
Estim. Total Full Year	\$ 185,527	

Scenario D		
Possible New Rate (+ 6.7 %)	0.3700	\$/cu ft
Possible Effective Rate	0.3330	\$/cu ft
Estim. Total Full Year	\$ 191,271	

FY21 Proposed Projected Revenue - July/Oct bills @ Old Rate, Jan/Apr bills @ New Rate

Bill Date	Scenario A			Avg Cu. Ft	Scenario B		
	Avg Cu. Ft	Disc. Rate	Bill Total \$		Disc. Rate	Bill Total \$	
July '20 - Actual			\$ 42,290			\$ 42,290	
October '20 - Actual			\$ 49,529			\$ 49,529	
January '21 (avg last 2 seasonal bills)	142,327	0.3121	\$ 44,420	142,327	0.3184	\$ 45,317	
April '21 (avg last 2 seasonal bills)	138,895	0.3121	\$ 43,349	138,895	0.3184	\$ 44,224	
			\$ 179,588			\$ 181,359	
Bill Date	Scenario C			Avg Cu. Ft	Scenario D		
	Avg Cu. Ft	Disc. Rate	Bill Total \$		Disc. Rate	Bill Total \$	
July '20 - Actual			\$ 42,290			\$ 42,290	
October '20 - Actual			\$ 49,529			\$ 49,529	
January '21 (avg last 2 seasonal bills)	142,327	0.3230	\$ 45,972	142,327	0.333	\$ 47,395	
April '21 (avg last 2 seasonal bills)	138,895	0.3230	\$ 44,863	138,895	0.333	\$ 46,252	
			\$ 182,653			\$ 185,465	

12/21/20 Sewer Rates - to be voted

Impact on Average Sewer User

	Cubic Feet	Discounted Rate	Billed Amount	Amount Over Current	% Over Current	Scenario
Current Avg. Quarterly Amount (last 8 quarters)	1270	0.3121	\$ 396			
Current Avg. Annual Amount (last 8 quarters)	5080	0.3121	\$ 1,585			
Possible Avg. Quarterly Amount	1270	0.3121	\$ 396	\$ -	0.0%	A
Possible Avg. Annual Amount	5080	0.3121	\$ 1,585	\$ -		
Possible Avg. Quarterly Amount	1270	0.3184	\$ 404	\$ 8.00	2.0%	B
Possible Avg. Annual Amount	5080	0.3184	\$ 1,617	\$ 32.00		
Possible Avg. Quarterly Amount	1270	0.3230	\$ 410	\$ 13.84	3.5%	C
Possible Avg. Annual Amount	5080	0.3230	\$ 1,641	\$ 55.37		
Possible Avg. Quarterly Amount	1270	0.333	\$ 423	\$ 26.54	6.7%	D
Possible Avg. Annual Amount	5080	0.333	\$ 1,692	\$ 106.17		

Sewer Fund Balances

	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Starting Balance		85,986.40	107,871.27	92,203.31	78,330.04	51,007.40	47,215.67	75,623.82	57,467.72
minus Transfer to Omnibus	74700	64,300.00	60,200.00	57,200.00	53,720.00	49,000.00	49,000.00	45,000.00	45,000.00
minus Extra to Omnibus		-	-	-	-	-	-	-	-
plus Actual/Estimated Receipts		175,934.61	130,274.87	108,601.12	99,707.72	91,457.41	91,656.73	84,675.85	63,156.10
plus Transfer from Free Cash						15,017.20			
plus Unspent from Omnibus			6,905.26	3,131.84	6,750.55	8,713.03			
minus Reserved from Receipts	98800	98,800.00	98,865.00	38,865.00	38,865.00	38,865.00	38,865.00	68,084.00	-
Ending Balance		98,821.01	85,986.40	107,871.27	92,203.31	78,330.04	51,007.40	47,215.67	75,623.82

Notes

 = Higher than it should have been. \$34,042 of Reserved from Receipts wasn't transferred to General Fund until following fiscal year.

 = Lower than it should be. Special Town Meeting vote is needed to transfer \$15,017 (unspent from FY15 sewer budget) from Free Cash back into Sewer Fund.

	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Ending Balance after adjusting for two "Notes" boxes	98,821.01	85,986.40	107,871.27	92,203.31	78,330.04	66,024.40	47,215.67	41,581.82