

# TOWN OF FAIR HAVEN WATER/SEWER RATES

## WORKSHOP

August 22, 2017

### 1.0 Background

- 2007-08 - evaluated water/sewer rate alternatives
- At least 4 workshops were conducted with the Board
- No changes were made to the rate structure

### 2.0 Board Concerns

- What is reason for wanting to change rate structure?
- Other concerns?

### 3.0 Current Rates (FY 17/18)

- Water
  - Number of Customers: 900
  - Water Use: 35.664 MG
  - Base Rate: \$52.10 per quarter
  - Usage Rate: \$6.90 per 1,000 gallons
  - Typical Residential Customer: \$484 per year (based on 40,000 gpy)
- Sewer
  - Number of Customers: 832
  - Sewer Use: 30.965 MG
  - Base Rate: \$16.30 per quarter
  - Usage Rate: \$11.00 per 1,000 gallons
  - Typical Residential Customer: \$500 per year (based on 40,000 gpy)

### 4.0 Rate Structure Objectives

- Simple to administer
- Easy to understand
- Equitable and fair between user classifications; residential, commercial
- Revenue stability

### 5.0 Rate Structure Alternatives Evaluated

- #1 – Existing
- #2 – Flat base rate per account and usage
- #3 - Four consumption tiers
- #4 – Flat base per “Base Rate Unit”

- #5 – Usage rate only

## 6.0 Other Rate Structure Considerations

- How base rate is applied to commercial (non residential) customers?
  - Environmental Protection Rules
  - Definition of Equivalent Dwelling Unit (EDU)
  - Example – Laundry
    - 8 machines X 500 gpd per machine X 0.80 = 3,200 gpd
    - $EU = 3,200/210 \text{ gpd} = 15.2$
- Does base rate include some volume of usage?
  - Base rate could include up to 10,000 gpd per quarter (average usage).
- Should there be a 2 tiered usage rate
  - Residential usage rate
  - Commercial usage rate
- Need to evaluate how rate structure changes impact specific customer classes
  - Residential
  - Commercial

## 7.0 Next Steps