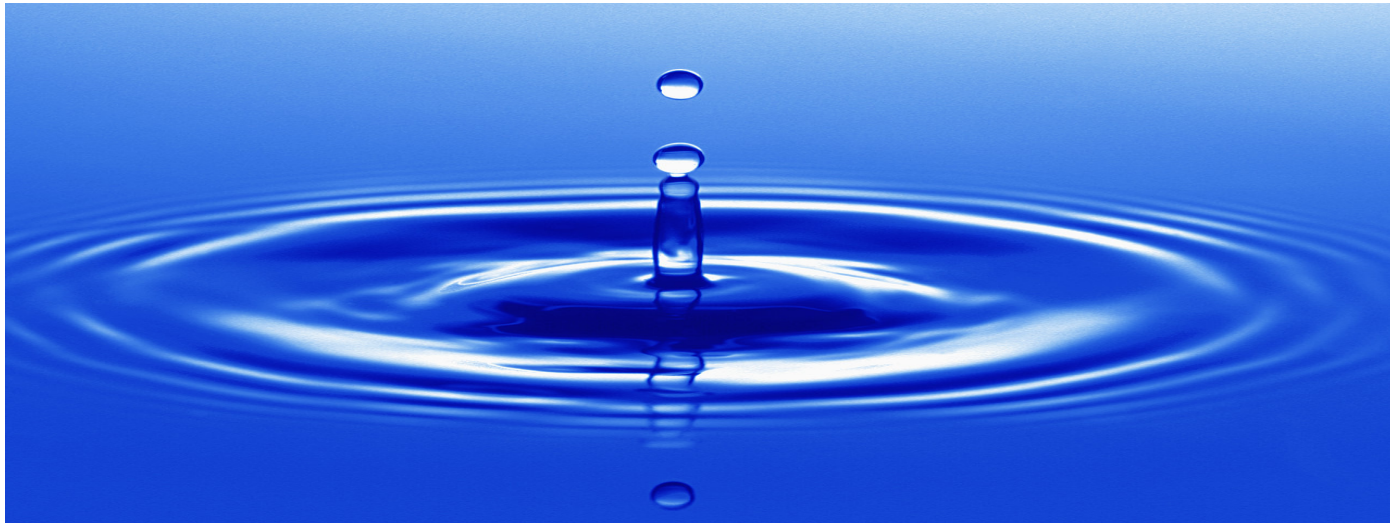


WATER & SEWER RATE HEARING

Town of Pepperell
Department of Public Works



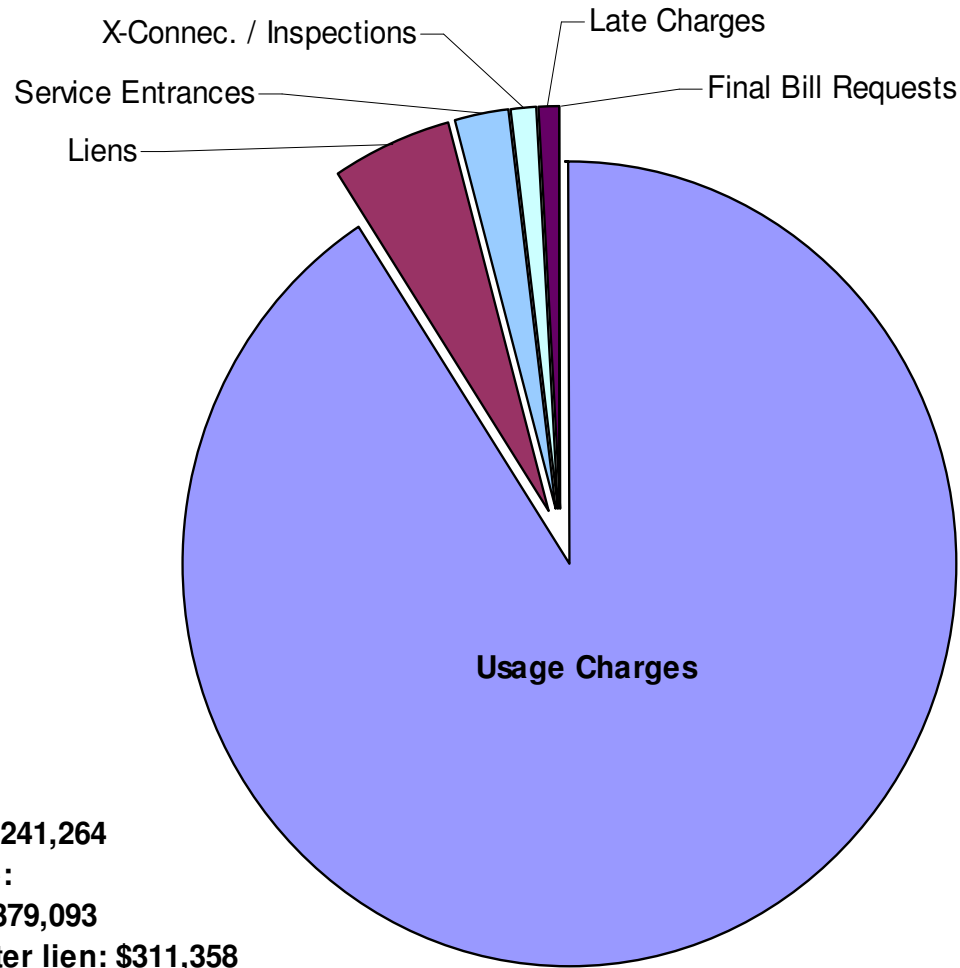
WATER & SEWER RATE HEARING Dec. 1, 2011

WATER INFRASTRUCTURE FACILITIES

- 5 Wells
- 3 Storage Tanks
- 5 Pump & Treat Facilities
- Water Headquarters
- 75 Miles of Water Mains (the majority of which is over 100 years old)
- 600 + Hydrants

WATER & SEWER RATE HEARING Dec. 1, 2011

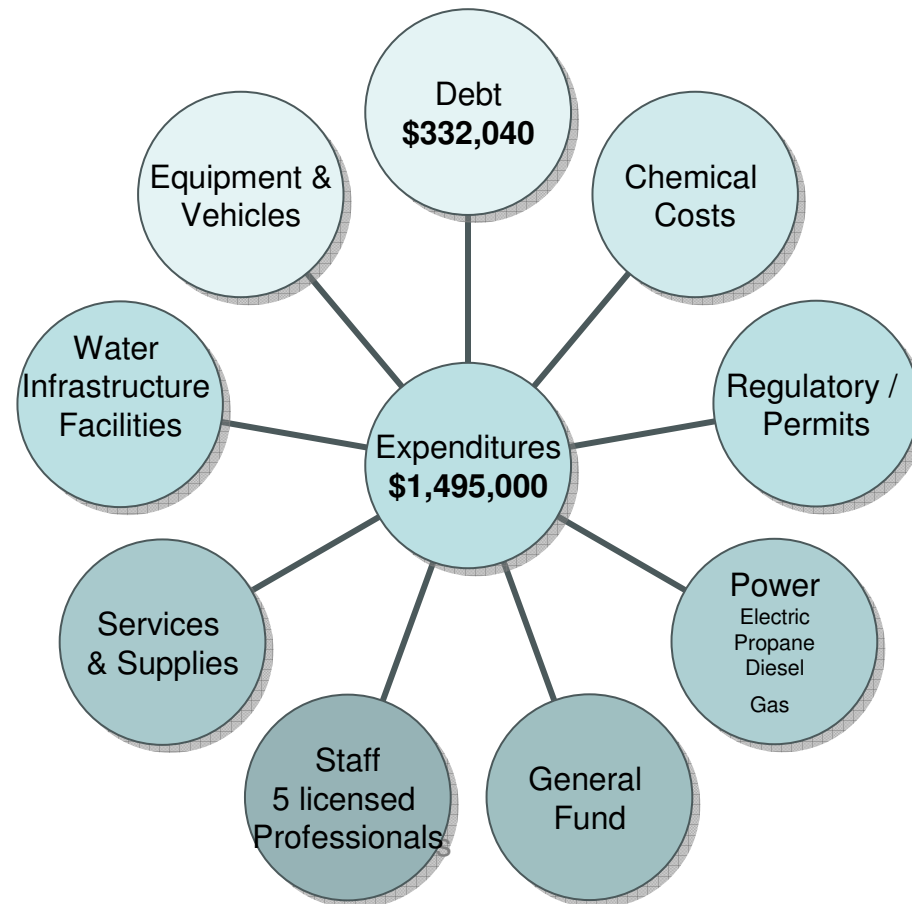
WATER DIVISION - REVENUE SOURCES FISCAL 2011



FY 2011
Total Revenue: \$1,241,264
Deferred Revenue:
Unpaid charges: \$379,093
Unpaid charges after lien: \$311,358

WATER & SEWER RATE HEARING Dec. 1, 2011

WATER DIVISION EXPENDITURES FY12



WATER & SEWER RATE HEARING Dec. 1, 2011

PROPOSED USE OF WATER DIVISION RETAINED EARNINGS FOR FY13

- Retained Earnings from FY12 is \$593,000
- DEP recommended operating reserve is 20% of Operating Budget = \$231,000
- Retained Earnings Used for Rate Relief \$156,000
- Capital expenditures in Calendar 2012 \$ 0
- Remaining Reserve for Capital Expenditures and future rate relief = \$206,000
- Pending Capital Expenditures (includes \$500,000 for repainting & repairing water tanks and \$2,100,000 for water line replacement/upgrade.)
- Current planning includes using more than \$100,000 for rate relief in FY14.

Proposed Rate Increase for Water 9.5%

WATER & SEWER RATE HEARING Dec. 1, 2011

LOCAL AVERAGE ANNUAL WATER COSTS UPDATED NOVEMBER 2011

COSTS ARE BASED ON RESIDENTIAL ANNUAL USAGE OF 10,446 CUBIC FEET

EXISTING WATER RATES		
MUNICIPALITY	WATER	RATING
LUNENBURG	\$530	Highest
SHIRLEY	\$512	
TYNGSBORO	\$482	
WESTFORD	\$444	
GROTON	\$441	Medium
ACTON	\$356	
PEPPERELL	\$354	
TOWNSEND	\$313	
AYER	\$272	Lowest
AVERAGE	\$411	
Pepperell is <u>14%</u> lower than the average rate.		

PROPOSED 9.5% WATER RATE INCREASE		
MUNICIPALITY	WATER	RATING
LUNENBURG	\$530	Highest
SHIRLEY	\$512	
TYNGSBORO	\$482	
WESTFORD	\$444	
GROTON	\$441	Medium
PEPPERELL	\$387	
ACTON	\$356	
TOWNSEND	\$313	
AYER	\$272	Lowest
AVERAGE	\$415	
Pepperell is <u>6.7%</u> lower than the average rate.		

Assumes that other municipalities do not raise their rates

WATER & SEWER RATE HEARING Dec. 1, 2011

WATER DIVISION RATE RESULTS

- Costs are Based on Average Residential Annual Usage of 10,446 Cubic Feet (65 gpd * population)

For Average Consumer:

- Cost per year \$387.00
- Increase per month is \$2.80
- Increase per year is \$33.64
- Cost per Gallon is less than 1¢

SEWER INFRASTRUCTURE FACILITIES

Pepperell's Sewer System

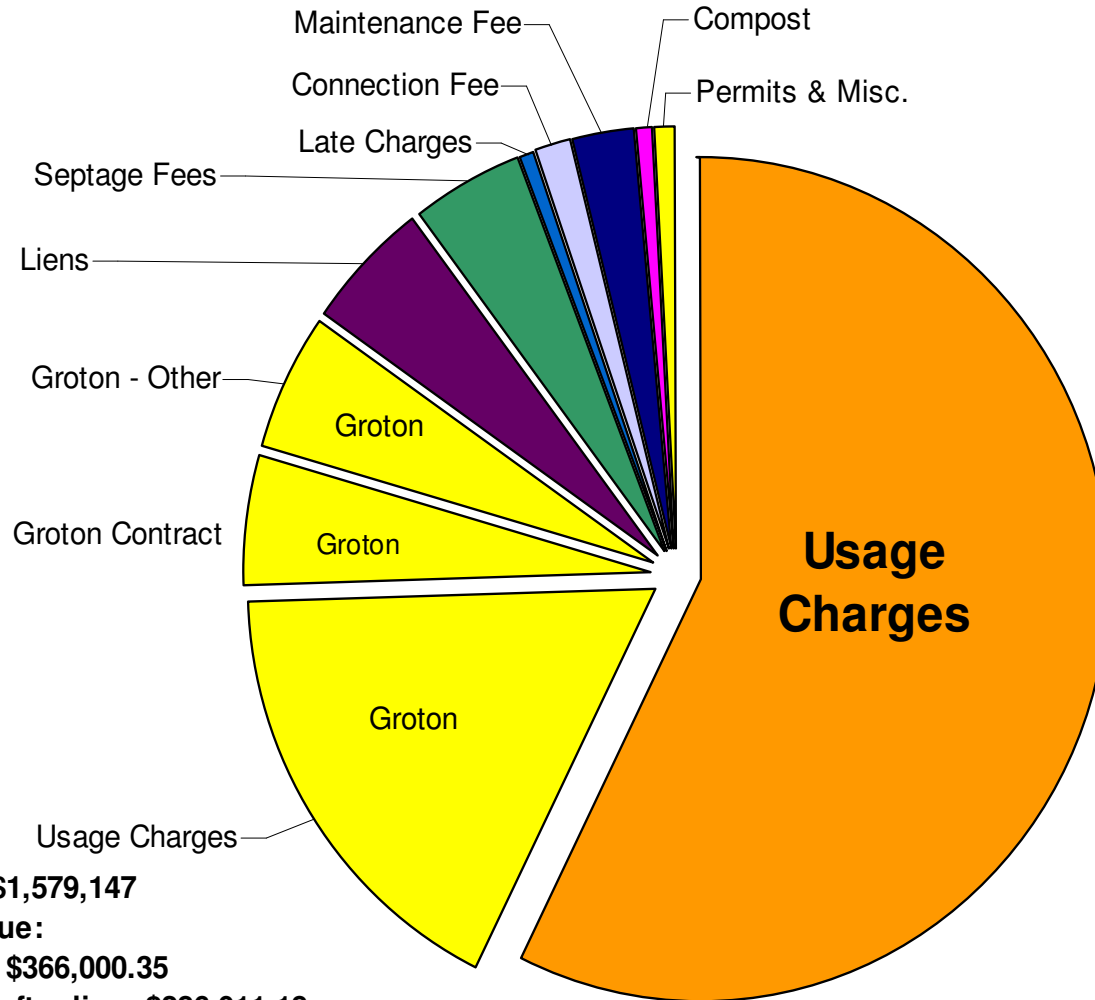
- 35 Miles of Sewer
- 795 Sewer Manholes
- 1516 Sewer Services & 438 Potential Services
- **Groton's Sewer System**
- 26 Miles of Sewer in Groton
- 286 Sewer Manholes
- 470 Sewer Services

SEWER TREATMENT FACILITIES

- 8 Pump Stations
- 1 Million Gallon per day Treatment Facility (Grade 6)
- 30 Pumps Various Sizes & Models
- 5 Air Blowers
- 8 Generators
- 28 Pump Controllers
- 3 UV Disinfection Units
- 14 Other Types of Mechanical Equipment within WWTP

WATER & SEWER RATE HEARING Dec. 1, 2011

SEWER DIVISION - REVENUE SOURCES FISCAL 2011



FY 2011
Total Revenue: \$1,579,147
Deferred Revenue:
Unpaid charges: \$366,000.35
Unpaid charges after lien: \$286,011.18

WATER & SEWER RATE HEARING Dec. 1, 2011

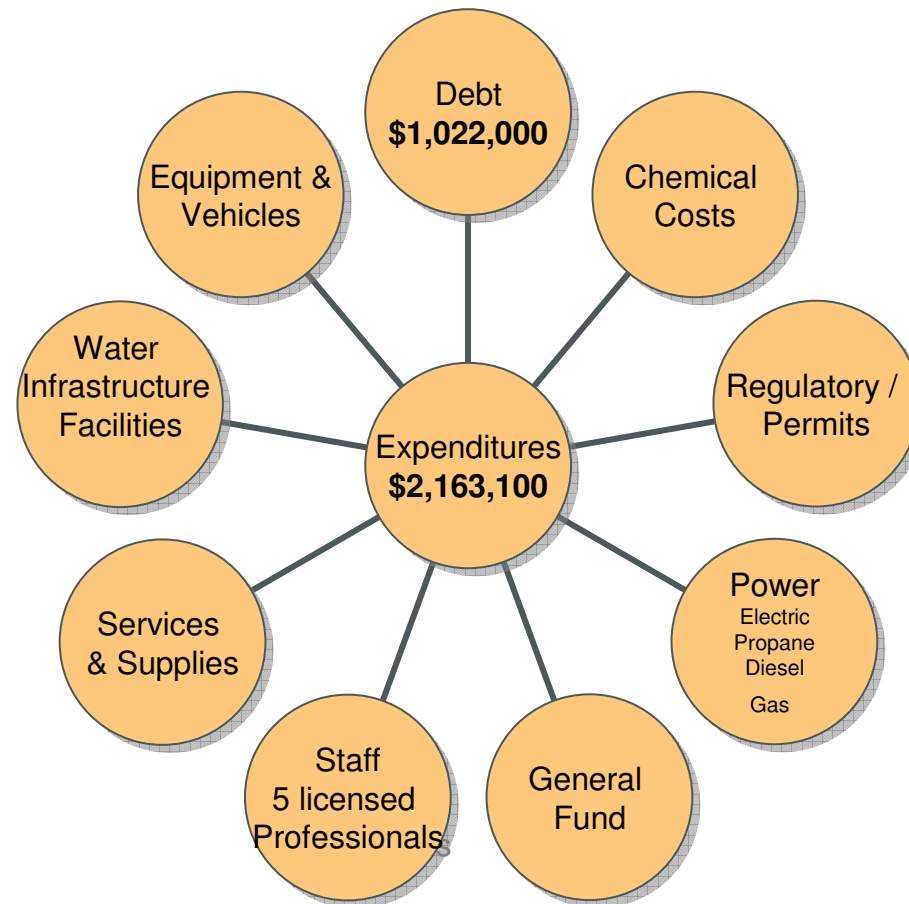
PROPOSED SEWER DIVISION FINANCIAL PLANNING FOR FY13

- Retained Earnings from FY12 is \$10,000
- Department of Environmental Protection Recommended Operating Reserve is 20% of Operating Budget = \$243,000
- Retained Earnings Used for Rate Relief \$10,000
- Capital expenditures in Calendar 2012 and beyond is \$ 0
- Debt has increased 70% (2008 to 2012)
- Last Sewer Expansion Project is complete.

Proposed Rate Increase for Pepperell Sewer 29%

WATER & SEWER RATE HEARING Dec. 1, 2011

SEWER DIVISION EXPENDITURES FY12



WATER & SEWER RATE HEARING Dec. 1, 2011

LOCAL AVERAGE ANNUAL SEWER COSTS UPDATED NOVEMBER 2011

COSTS ARE BASED ON RESIDENTIAL ANNUAL USAGE OF 10,446 CUBIC FEET

EXISTING SEWER RATES		
MUNICIPALITY	SEWER	RATING
ACTON	\$1,336	Highest
GROTON	\$1,248	
LUNENBURG	\$846	
AYER	\$680	Medium
PEPPERELL	\$613	
SHIRLEY	\$565	
TYNGSBORO	\$496	Lowest
AVERAGE	\$826	
Pepperell is 25% lower than the average rate.		

PROPOSED 29% SEWER RATE INCREASE		
MUNICIPALITY	SEWER	RATING
ACTON	\$1,336	Highest
GROTON	\$1,248	
LUNENBURG	\$846	
PEPPERELL	\$791	Medium
AYER	\$680	
SHIRLEY	\$565	
TYNGSBORO	\$496	Lowest
AVERAGE	\$852	
Pepperell is 6.5% lower than the average rate.		

Assumes that other municipalities do not raise their rates

SEWER DIVISION RATE RESULTS

- Costs are Based on Residential Annual Usage of 10,446 Cubic Feet

For Average Consumer:

- Cost per Year \$791.00
- Increase per Month is \$14.82
- Increase per Year is \$177.82
- Cost per Gallon to Treat is approx. 1¢

WATER & SEWER RATE HEARING Dec. 1, 2011

SEWER DIVISION PROPOSED CONNECTION FEES FOR 2012

CALENDAR YEAR	CONNECTION FEE		INCREASE	INCREASE
	Per Bedroom	3 Bedroom House	Percent	Value
2007	\$1,530	\$4,590		
2008	\$1,830	\$5,490	19.61%	\$900
2009	\$2,120	\$6,360	15.85%	\$870
2010	\$2,410	\$7,230	13.68%	\$870
2011	\$2,700	\$8,100	12.03%	\$870
2012	\$3,105	\$9,315	15.00%	\$1,215

Notes:

1. Average percent increase 2007 to 2011 is 15.29%.
2. Existing rates were determined based the SEA Consultants rate study.
3. The Town of Pepperell does not require mandatory connection.
4. Connection fee is based on the asset value of the connection.
5. Correlates to conservation based water use
6. Betterment Fee for the last sewer project was \$4,400 per bedroom.

WATER & SEWER RATE HEARING Dec. 1, 2011

