

# **Sewer Rate Study FY2021 Update Summary and Recommendations**

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**April 12, 2021 at 6:00 PM**  
**Selectboard Meeting**  
**Town of Great Barrington, MA**



# OVERVIEW

- **Terminology & Project Goals**
- **Current Sewer Rate System**
- **Planned Improvements Capital Projects**
- **Rate Alternatives**
- **Senior Discount Concept**
- **Sewer Rate Abatement Concept**
- **Recommendations**
- **Questions**



# Terminology

- **Sewer Rates**
  - EDU = equivalent dwelling unit
  - Fixed Fee = Set cost independent of water consumption
  - Fixed Rate = Set unit cost based on water consumption
- **Administrative**
  - CIP = capital improvements plan
  - CY = calendar year
  - FY = fiscal year

# Project Goals

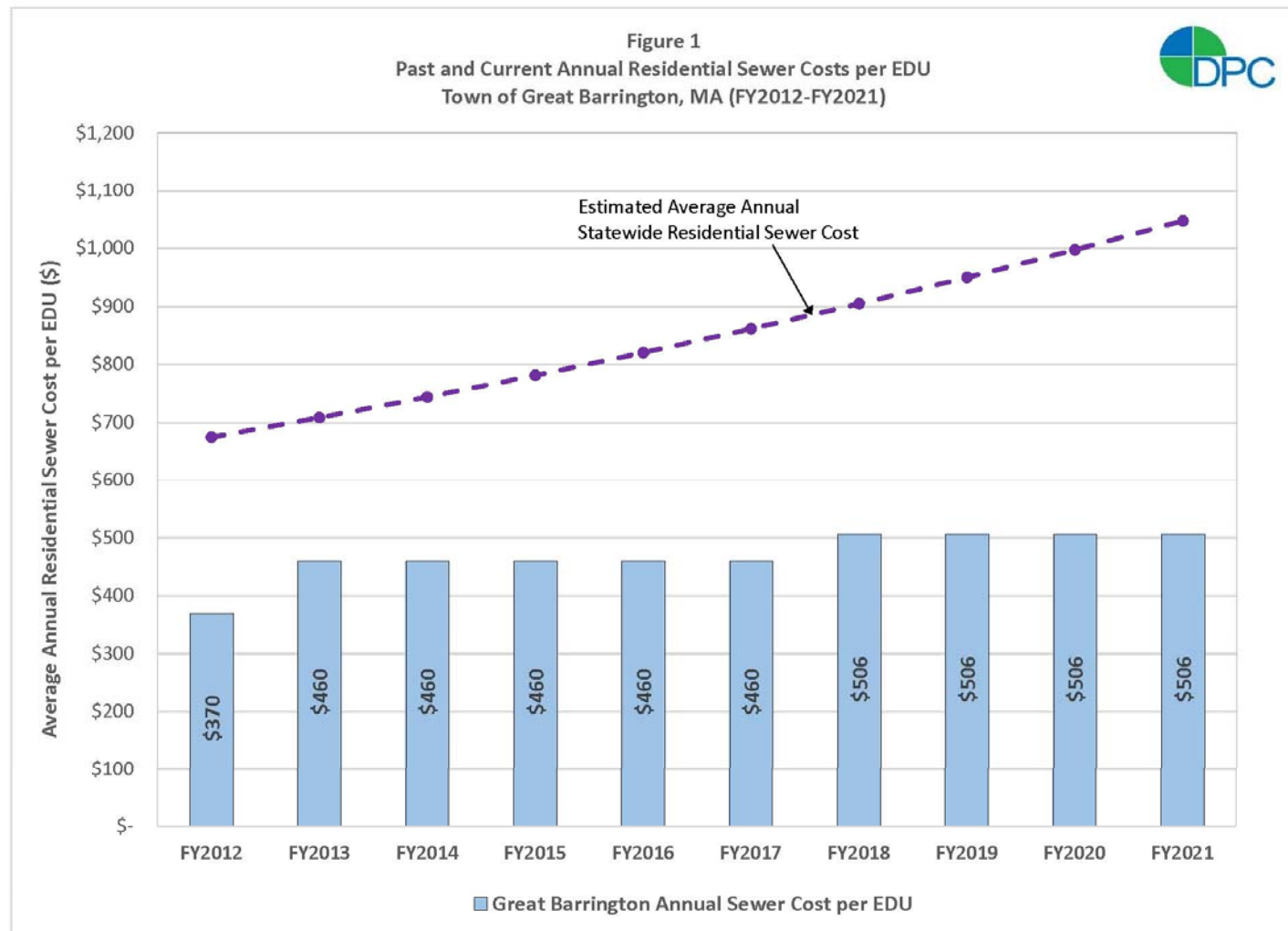
- **Evaluate impacts of proposed wastewater capital projects**
- **Evaluate impacts of potential senior abatement/sewer discounts**
- **Evaluate the potential for USDA funding for wastewater capital projects**
- **Develop recommendations to fund the proposed capital projects, while stabilizing retained earnings**
  - Sewer Retained Earnings ~ \$5,088,773 (FY2020 year-end)



# Current Sewer Rate System

- **Billing Codes (Est. 1993)**
  - Based on number of EDUs per customer
  - 2,053 customers (3,775.6 EDUs)
- **Unit and Annual Costs**
  - Fixed annual fee of \$253 per EDUs per billing period
  - Two billing periods per year
  - Annual cost per single family home (1 EDU) is \$506
  - Last rate increase was in FY2018 (from \$460 to \$506)
  - Prior rate increase in FY2013 (from \$370 to \$460)
- **No Discounts (seasonal, low usage, seniors)**

# FY2012 – FY2021 Annual Sewer Rates



# Proposed Capital Improvements Plan

- **Pump Stations Upgrades Project**
  - Includes upgrades to the Cone Avenue, Risingdale, Fairgrounds, and South Main Street pump stations
- **Annual CMOM Program**
  - Includes annual evaluation and upgrades to the sanitary sewer system
- **Phase 3 WWTP Upgrades Project**
  - NPDES Permit Requirement
  - Planning & Design in FY2022/FY2023 with construction in FY2024/FY2025

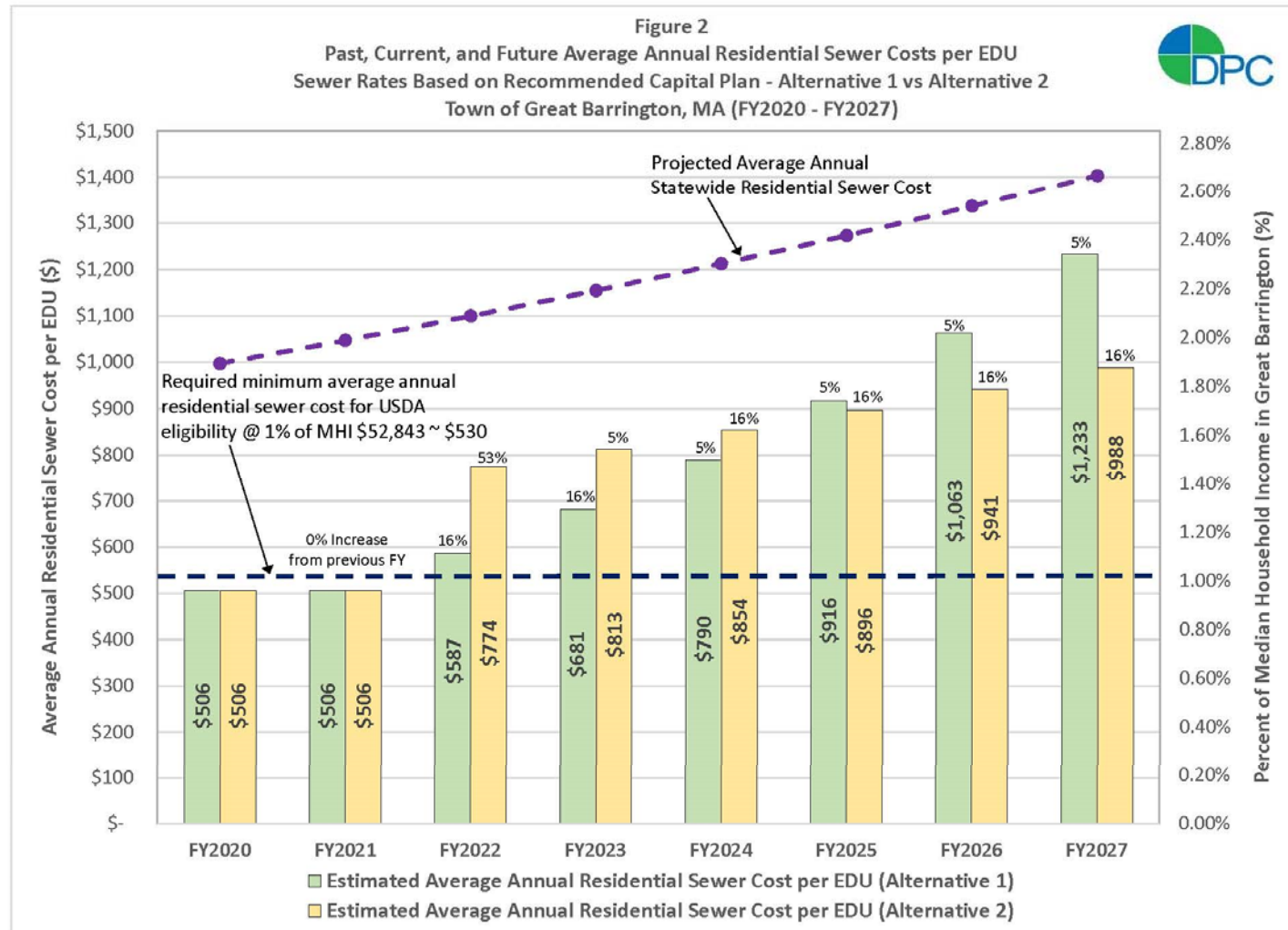
# Sewer Rate Alternatives

- 6-Year Rate Projections
- Includes Capital Projects
- Retained Earnings Minimum Balance \$2 Million
- Alternative 1
  - Even rate increases in Years 1 through 6
  - Proposed FY2022 Rate = \$587 (16% increase)
- Alternative 2
  - Large rate increase in Year 1 followed by smaller even rate increases in Years 2 through 6
  - Proposed FY2022 Rate = \$774 (53% increase)

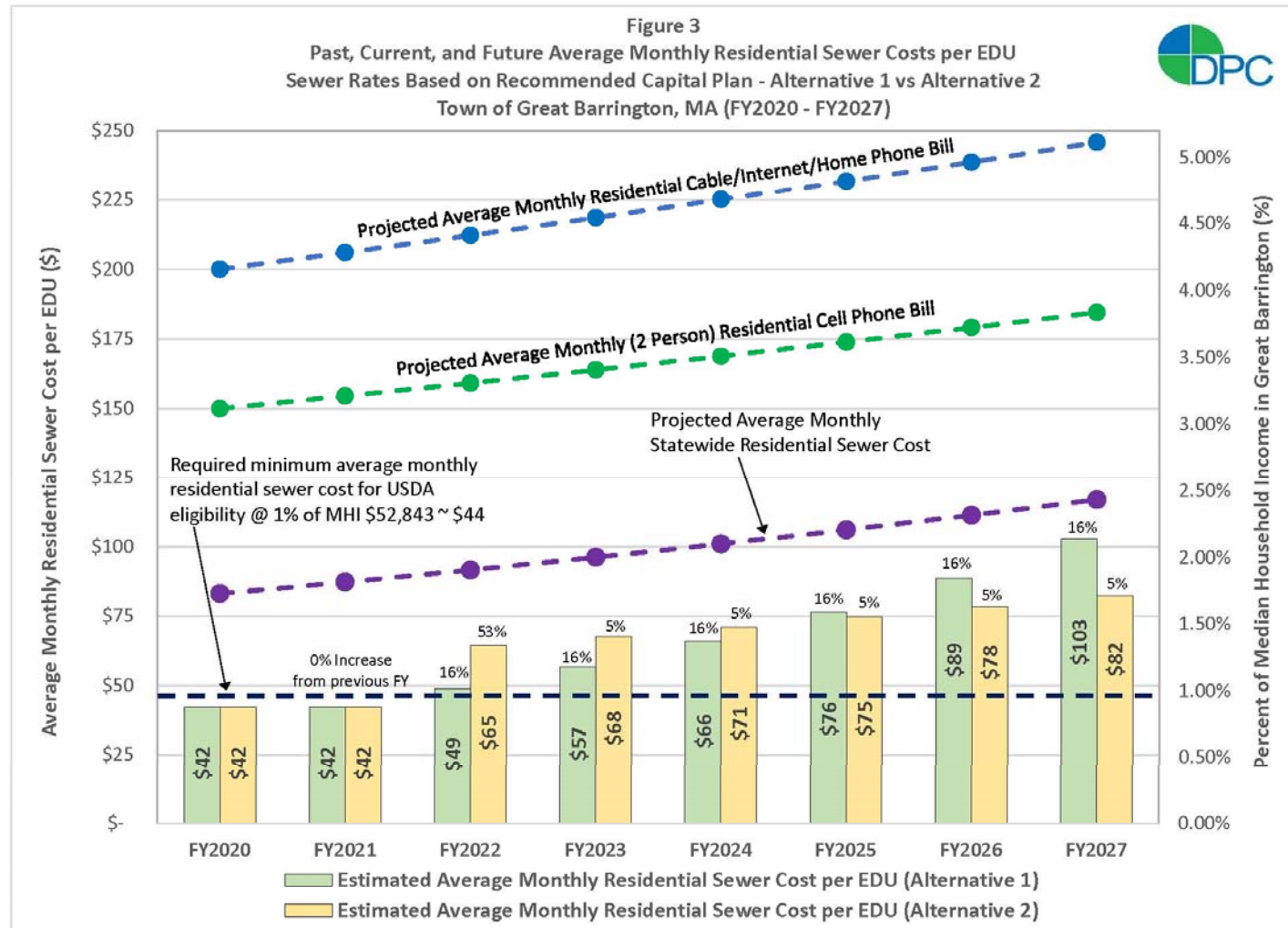




# FY2022 – FY2026 Annual Sewer Rate Projections



# FY2022 – FY2026 Monthly Sewer Rate Projections



# Senior Discount Concept

- Senior Discounts
  - Approximately 23% of Great Barrington residents are 65 years or older (2010 Census)
  - Approximately 354 EDUs could be seniors
  - Discounts of 10 to 20% were considered for all seniors

**Table 4: Senior Discount Program Rate Impact**

Senior Discount (as a Percent of Total Cost per EDU)	Adjusted Cost per EDU to Cover Senior Discount	Percent Increase to Cost Per EDU to Cover Senior Discount	Cost per EDU for Seniors after Discount
10%	\$511	0.9%	\$460
15%	\$513	1.4%	\$436
20%	\$516	1.9%	\$413

Note: Original cost per EDU in FY2021 = \$506

# Sewer Rate Abatement Concept

- **Sewer Rate Abatement**
  - Sewer Rate Abatement Program considered for low-water-consumption sewer users
  - Program was evaluated for sewer users than consume 10, 20, and 30% of the average water consumption for 1 EDU (127/gpd)
  - Discounts of 20% were applied to all scenarios

**Table 5: Sewer Abatement Program Rate Impact**

<b>Residential Sewer Consumption as a Percent of 1 EDU (127/gpd) Eligible for Abatement</b>	<b>Adjusted Cost per EDU to Cover Sewer Abatement</b>	<b>Percent Increase to Cost Per EDU to Cover Sewer Abatement</b>	<b>Cost per EDU for Eligible Residential Sewer Customers after Abatement</b>
10%	\$507	0.2%	\$406
20%	\$509	0.6%	\$407
30%	\$511	1.0%	\$409

Note: Original cost per EDU in FY2021 = \$506

# Recommendations

- Implement Alternative 1 (Fixed rate increase over Years 1 through 6) FY2022 Rate = \$587
- Apply for USDA Funding for Pump Stations and Phase 3 WWTP Upgrades (potential for grants ranging from 20-75%)
- Further evaluate the Senior Discount Program and its impact on Town resources
- Defer Sewer Rate Abatement Considerations

# Questions?

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