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Town of Rockland Sewer Rate Study

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Town of Rockland Sewer Department Overview

- The Rockland Sewer Department is managed by the elected Board of Sewer Commissioners
 - Chuck Heshion – Chair
 - Sherri Vallie
 - Daniel Duross
- Sewer Enterprise Revenue relies solely on user fees and charges



Sewer Rate Study Overview

- Purpose of the Rate Study
 - To provide strategies for the Sewer Department to finance its sewer operating, maintenance, and capital costs
 - Ensure long-term financial health and ability to maintain Town's sewer collection system, including an aging wastewater treatment facility (WWTF)



Sewer Rate Study Overview (cont.)

- Challenges

- Sewer rates across the country are increasing by 6% per year, on average
- Balancing between rate increases, impact to users (Town residents), state and federal regulation, and maintaining aging infrastructure
- A number of significant upcoming Capital Improvement Projects (CIP), including:
 - ❖ WWTP Upgrade – last significant upgrade was done in 1977 and was built in 1964
 - ❑ Upgrade is necessary to meet federal and state requirements
 - ❖ Infiltration and Inflow (I/I) Projects
 - ❑ Federal and state enforcement to locate and remove sources of I/I in Town's sewer collection system



Sewer Rate Study Draft Results

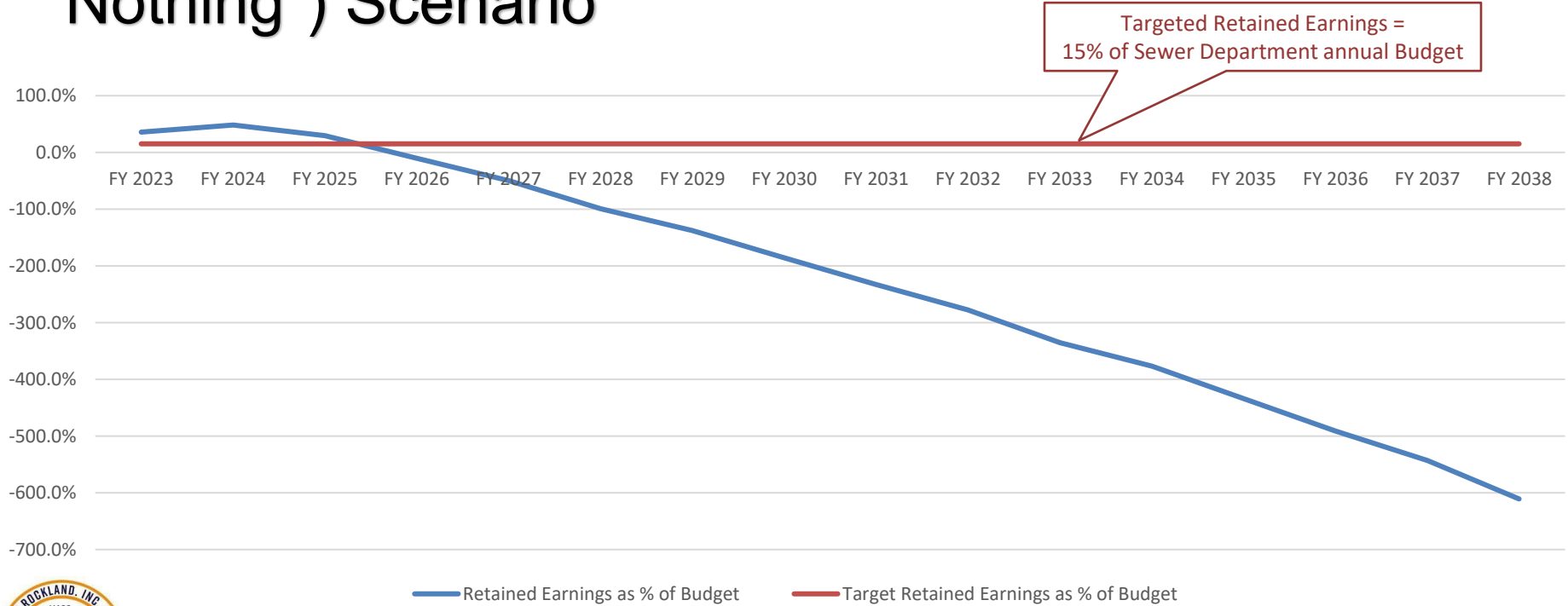


Rate Study Results Overview

- Operation & Maintenance (O&M) expenses are projected to increase by approximately 3% annually
- In the next 10 years, the Town's Sewer Department is expected to spend nearly \$9 million annually on capital improvements
 - Mostly for WWTF Upgrade
 - Some capital improvement projects will be fund by ARPA monies
- Targeting retained earnings at 15% of Budget
- Urgency to build up reserve to fund WWTF upgrade project



Projected Retained Earnings – Baseline (“Do Nothing”) Scenario



Recommended Rate Increases

- Through careful evaluation and analysis, a proposed rate increase plan is submitted to the Sewer Commissioners for review and comments. The recommended 15-year rate increase plan:
- First 8-year period, a 10% increase per year

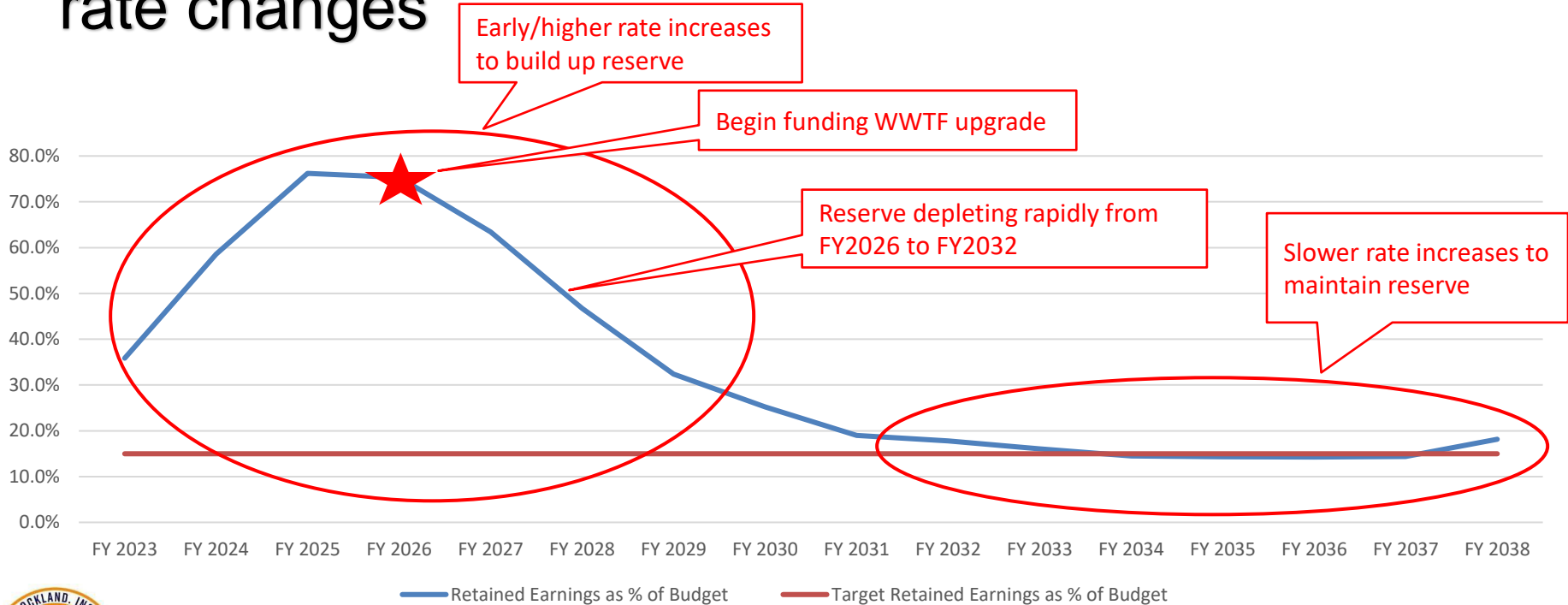
FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%

- Followed by a slower 7-year period increase

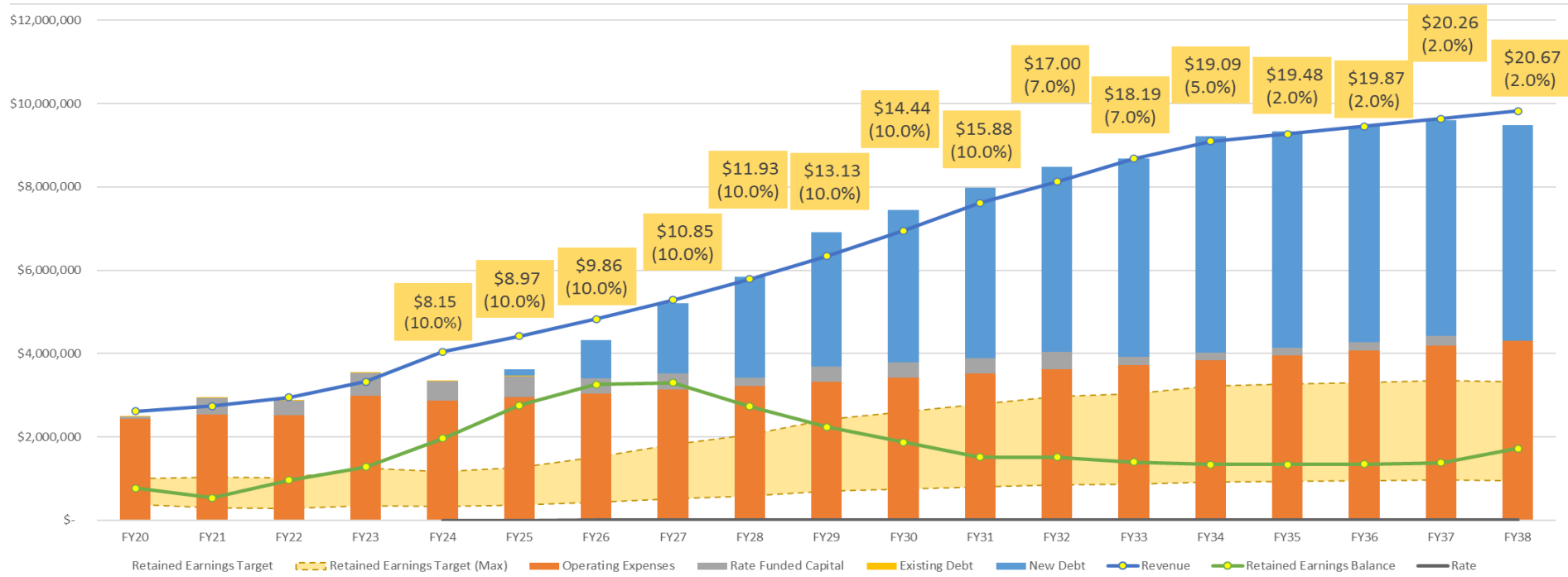
FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038
7.00%	7.00%	5.00%	2.00%	2.00%	2.00%	2.00%



Projected Retained Earnings – with recommended rate changes



Projected Sewer Cash Flow – with recommended rate changes



Average Sewer User Bill Example

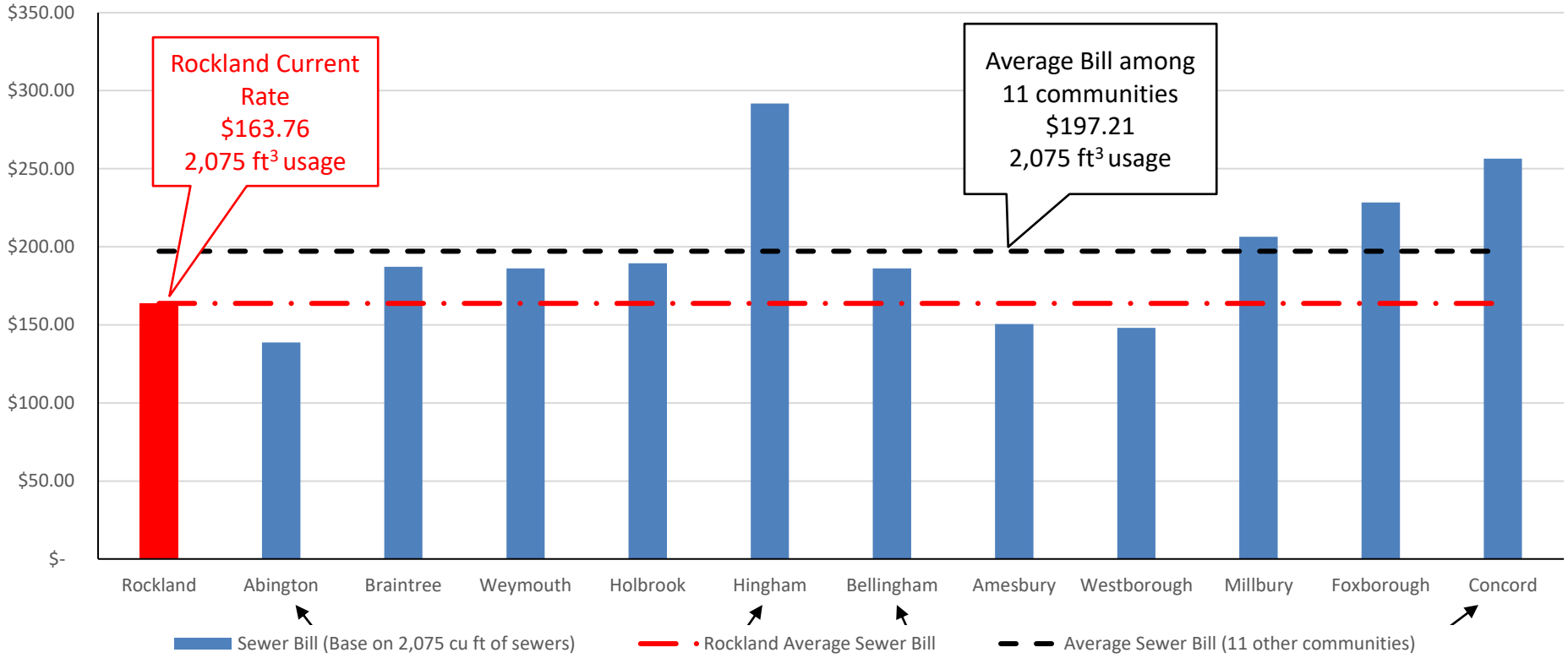
- For an average user, the sewer bill increase per year after proposed rate increase:

User Impact (per Bill) - Sewer Bills Only			Bill Increase Compared to Previous Year				
User Type	Usage (cubic feet)	Current Bill	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Average Residential User - Quarterly Bill	2,075	\$ 163.76	+ \$ 15.38	+ \$ 16.91	+ \$ 18.6	+ \$ 20.47	+ \$ 22.51
Average Residential User - Annual Bill	8,300	\$ 655.03	+ \$ 61.52	+ \$ 67.64	+ \$ 74.4	+ \$ 81.88	+ \$ 90.04

- Revenue and Expenses are likely to change after 5 years



Average Sewer Bill (Based on average Rockland usage = 2,075 cubic feet)



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