



**PUBLIC WORKS DEPARTMENT
TOWN OF ARLINGTON**
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Memo to: Adam Chapdelaine, Town Manager

From: Mike Rademacher, DPW Director

Date: February 21, 2020

Subject: FY21 Water/Sewer Rate Scenarios

The following is a summary of various rate scenarios for FY21. The different options were developed to determine the impact of reducing the Town's current shift of General Fund dollars to offset ratepayers' costs. The various options include the following assumptions for FY21:

- All user fees increase by the same percentage at the proposed rate increase
- Water use is assumed to level off around 1,210,000 CCF's based on current trends

	<u>Current FY20 Rates</u>	<u>FY21 Rates No Offset change</u>	<u>FY21 Rates 20% Reduction</u>	<u>FY21 Rates 25% Reduction</u>	<u>FY21 Rates 33% Reduction</u>	<u>FY21 Rates Full Debt Reduction*</u>
Cost Ave. Arlington Home Use: 60ccf/yr.	\$753	\$787	\$841	\$855	\$877	\$926
Cost Ave. Arlington Home per bill: 3 months	\$188	\$197	\$210	\$214	\$219	\$232
Approx. Rate increase Over previous FY:						
Water:	7.5%	5.0%	12.3%	14.1%	17.2%	23.6 %
Sewer:	7.5%	4.0%	11.2%	13.0%	16.0%	22.3%

The Select Board asked for scenarios for reducing the impact of the MWRA debt shift over three to five years. The 20% Reduction shows the first year rate impact for a plan that reduces the debt shift over five years; the 25% Reductions shows the first year rate impact for a plan that reduces the debt shift over four years; and the 33% Reduction shows the first year rate impact for a plan that reduces the debt shift over three years. There would be additional rate increases in subsequent years.

Analysis of out years, FY22-FY25, can also be developed based on any shift reduction scenarios desired.

*The debt service for the Arlington High School in FY21 will be \$2,865,980, which is approximately equal a 50% reduction in the MWRA Debt Shift.