



PUBLIC WORKS DEPARTMENT  
TOWN OF ARLINGTON

51 Grove Street, Arlington, Massachusetts 02476  
Phone: (781) 316-3104 Fax: (781) 316-3281

Memo to: Adam Chapdelaine, Town Manager  
From: Mike Rademacher, DPW Director  
Date: March 17, 2022  
Subject: FY23 Water/Sewer Rate Recommendation

We are entering our third and final year in which the shift of General Fund dollars to the Water and Sewer Enterprise is eliminated. In year one, the water rates increased by 17.2% and sewer rates increased 16.0%. In this final year, it is my recommendation that in FY23, the water rates increase by 11.31% and Sewer Rates increase by 11.14%. Although future anticipated rate increases are shown below, these will need to be revisited annually to verify future expense projections hold true. This recommendation assumes the following:

- Health and Retirement Indirect Costs have not yet been finalized
- Potential bargained salary increases have not been finalized but a placeholder estimate has been included.
- Rates are structured to eliminate the General Fund Offset evenly over FY21, FY22 and FY23.
- The General Fund shift would decrease from \$1,845,727 to \$0 in FY23
- Rate projections include payment of future debt service related to capital projects including the DPW Facility. Approximately \$320,000 of reserve funding is used to offset this cost in FY23.
- All user fees increase by the same percentage at the proposed average rate increase
- Water use is estimated to be 1,189,700± CCF's in FY23

Proposed Rate Chart	<u>WATER</u>		<u>SEWER</u>	
	<u>FY22 (Exist)</u>	<u>FY23 (Prop)</u>	<u>FY22 (Exist)</u>	<u>FY23 (Prop)</u>
0-15 ccf/3 months	\$7.08	\$7.88	\$8.34	\$9.27
16-30 ccf/3 months	\$7.58	\$8.44	\$8.89	\$9.88
Over 30 ccf/3 months	\$9.20	\$10.24	\$10.78	\$11.98

	FY22 Rates	FY23 Rates <u>Final 33% Reduction</u>	FY24 Rates <u>Offset Eliminated</u>
Cost Ave. Arlington Home Use: <u>60ccf/yr.</u>	\$986	\$1,082	\$1,138

Cost Ave. Arlington Home per bill: <u>3 months</u>	\$246	\$270	\$284
---	-------	-------	-------

Approx. Rate increase  
Over previous FY:

Water:	<u>12.8%</u>	<u>11.31%</u>	<u>5.46%</u>
Sewer:	<u>11.9%</u>	<u>11.14%</u>	<u>5.84%</u>
Ave:	12.4%	11.23%	5.65%