



FY 2023

# Water and Sewer Rate Study Findings and Recommendations


Presented By:

Douglas W. Gardner, President  
Pioneer Consulting Group, Inc.

# Water & Sewer Rate Study Findings

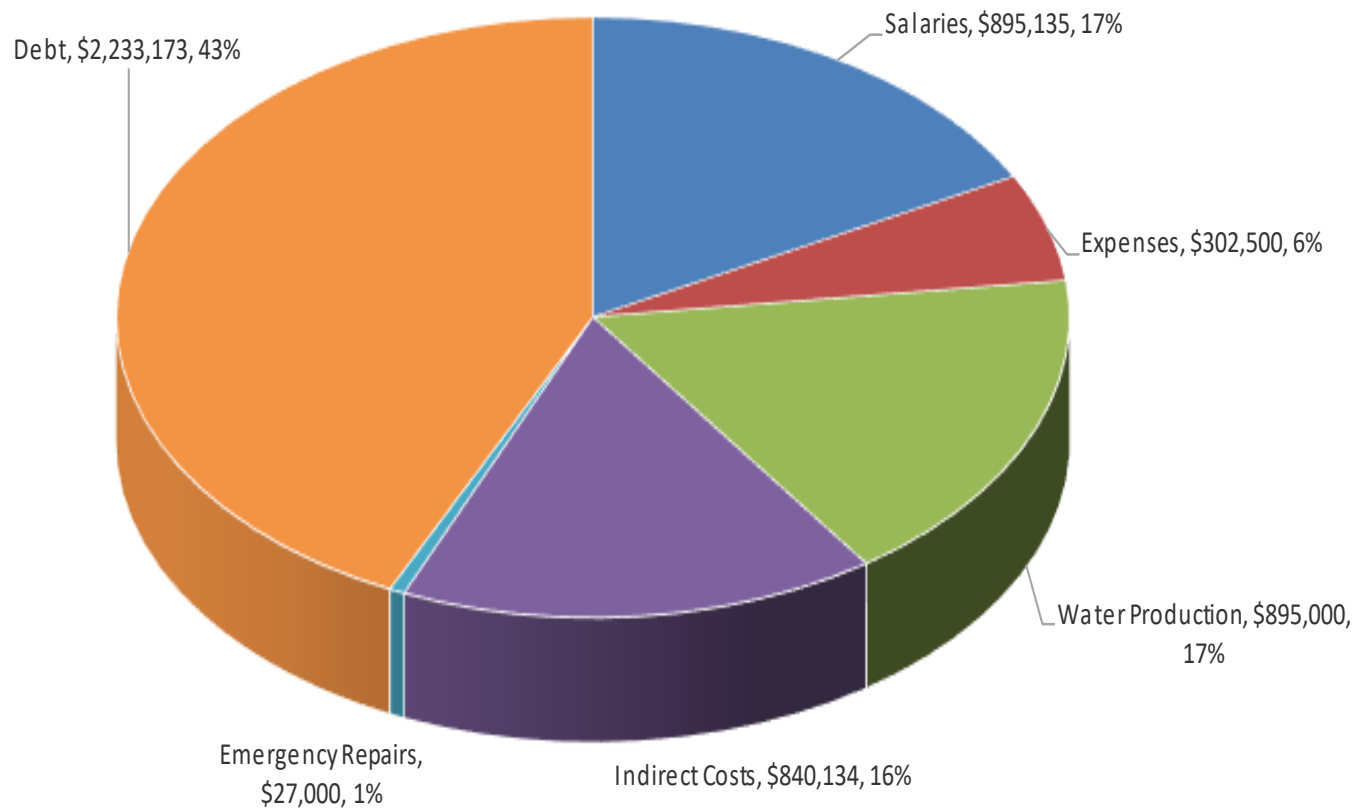
- Proposed rate increase (2 or 4%) will strengthen the enterprise funds
- No rate increase in FY 23 would likely result in a deficit
- \$8,149,602 Reserves Balance for New WTP
- New WTP costs have increased
- One year closer to plant coming on-line
- Objective remains: Small yearly increases to build reserves and minimize rate shock when the new plant comes online

# Water & Sewer Rate Study Findings 3 Rate Scenarios 0%, 2%, 4% Increase

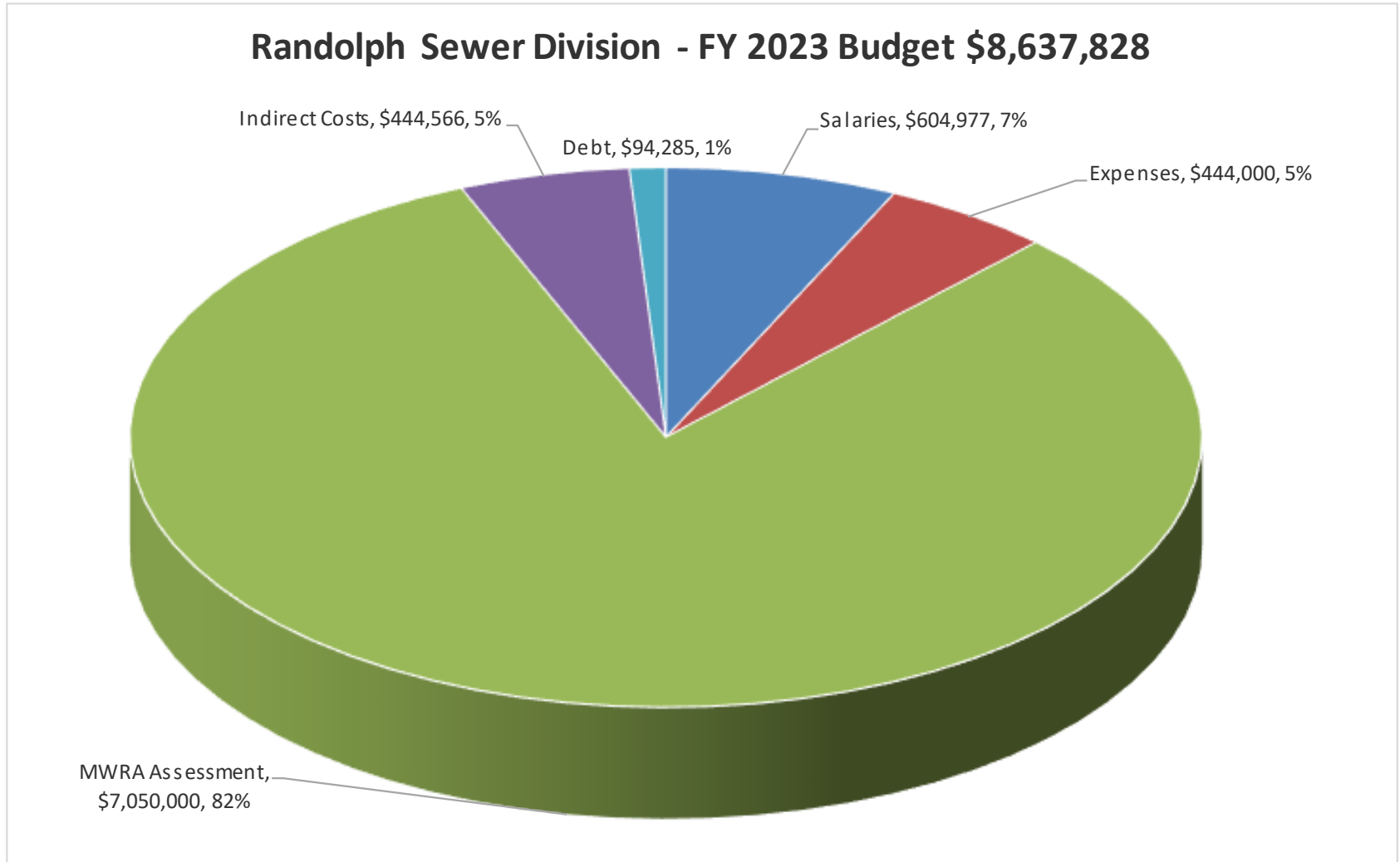
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- **Water & Sewer Rates - Quarterly**
    - Maintain Minimum Charge
    - Water - \$25.00
    - Sewer - \$12.50
  - **Step Rates**
    - Maintain Same Step Ranges
    - 1<sup>st</sup> Step: 1- 2,500cf quarterly
    - 2<sup>nd</sup> Step: Over 2,500 quarterly
  - **FY 2023 Rates**
    - 0% Increase – Breakeven at best
    - 2% Increase – Slight Surplus - \$200,000
    - 4% Increase – Larger Surplus -\$500,000

# What do the water rates fund?

Randolph Water Division - FY 2023 Budget- \$5,192,942



# What do the sewer rates fund?



# Proposed FY 2023 Water Rates

## RANDOLPH WATER DEPARTMENT

### Current vs Proposed Rates & Charges

WATER	Current Two Step FY 2022	Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023	2% Increase Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023	4% Increase Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023
<b>Consumption (in cubic feet)</b>	90,000,000	90,000,000								
<b>Revenue to be Generated</b>	\$5,400,000	\$5,400,000	\$0.00	0%	\$5,500,000	\$100,000	1.85%	\$5,600,000	\$200,000	3.70%
<b>Base Charge - Quarterly</b>										
All Sizes	\$25.00	\$25.00	\$0.00	0.00%	\$25.00	\$0.00	0.00%	\$25.00	\$0.00	0.00%
Senior Base Charge	\$5.00	\$5.00	\$0.00	0.00%	\$5.00	\$0.00	0.00%	\$5.00	\$0.00	0.00%
<b>Metered Water Charges - Quarterly</b>										
1st Step (0 -2,500 CF)	\$4.53	\$4.53	\$0.00	0.00%	\$4.62	\$0.09	1.99%	\$4.71	\$0.18	3.97%
2nd Step (Over 2,500 CF)	\$5.76	\$5.76	\$0.00	0.00%	\$5.88	\$0.12	2.08%	\$5.99	\$0.23	3.99%
<b>Impact Analysis - Quarterly</b>										
500 CF	\$47.65	\$47.65	\$0.00	0.00%	\$48.10	\$0.45	0.94%	\$48.55	\$0.90	1.89%
1,000 CF	\$70.30	\$70.30	\$0.00	0.00%	\$71.20	\$0.90	1.28%	\$72.10	\$1.80	2.56%
2,500 CF Average customer	\$138.25	\$138.25	\$0.00	0.00%	\$140.50	\$2.25	1.63%	\$142.75	\$4.50	3.25%
4,000 CF	\$224.65	\$224.65	\$0.00	0.00%	\$228.70	\$4.05	1.80%	\$232.60	\$7.95	3.54%
5,000 CF	\$282.25	\$282.25	\$0.00	0.00%	\$287.50	\$5.25	1.86%	\$292.50	\$10.25	3.63%
7,200 CF	\$408.97	\$408.97	\$0.00	0.00%	\$416.86	\$7.89	1.93%	\$424.28	\$15.31	3.74%
10,000 CF	\$570.25	\$570.25	\$0.00	0.00%	\$581.50	\$11.25	1.97%	\$592.00	\$21.75	3.81%
50,600 CF - 35 Unit Apartment	\$3,167.18	\$3,167.18	\$0.00	0.00%	\$3,212.72	\$45.54	1.44%	\$3,258.26	\$91.08	2.88%
107,000 CF -160 Unit Apartment	\$8,847.10	\$8,847.10	\$0.00	0.00%	\$8,943.40	\$96.30	1.09%	\$9,039.70	\$192.60	2.18%

# Proposed FY 2023 Sewer Rates

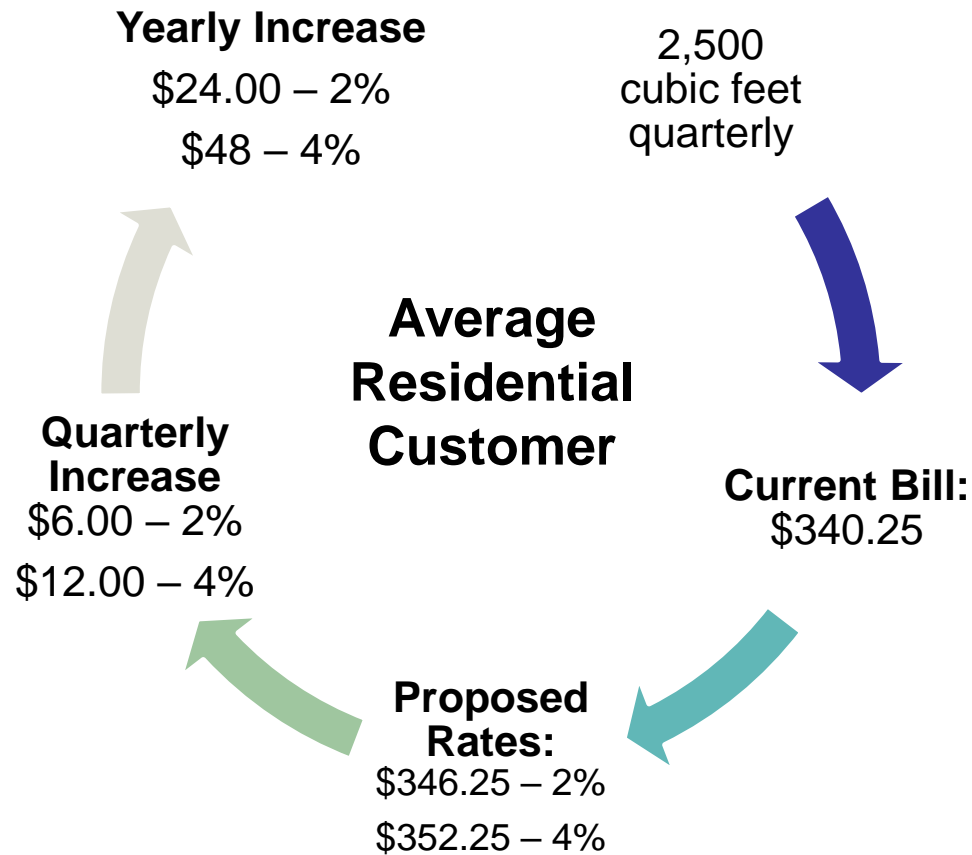
## RANDOLPH SEWER DEPARTMENT Current vs Proposed Rates & Charges

SEWER	Current Two Step FY 2022	Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023	Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023	Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023
<b>Consumption (in cubic feet)</b>	91,000,000	91,000,000			91,000,000			91,000,000		
<b>Revenue to be Generated</b>	\$8,600,000	\$8,600,000	\$0.00	0%	\$8,700,000	\$100,000	1.16%	\$8,900,000	\$300,000	3.49%
<b>Base Charge - Quarterly</b>										
All Sizes	\$12.50	\$12.50	\$0.00	0.00%	\$12.50	\$0.00	0.00%	\$12.50	\$0.00	0.00%
Senior Base Charge	\$2.50	\$2.50	\$0.00	0.00%	\$2.50	\$0.00	0.00%	\$2.50	\$0.00	0.00%
<b>Metered Water Charges - Quarterly</b>										
1st Step (0 -2,500 CF)	\$7.58	\$7.58	\$0.00	0.00%	\$7.73	\$0.15	1.98%	\$7.88	\$0.30	3.96%
2nd Step (Over 2,500 CF)	\$13.02	\$13.02	\$0.00	0.00%	\$13.28	\$0.26	2.00%	\$13.54	\$0.52	3.99%
<b>Impact Analysis - Quarterly</b>										
500 CF	\$50.40	\$50.40	\$0.00	0.00%	\$51.15	\$0.75	1.49%	\$51.90	\$1.50	2.98%
1,000 CF	\$88.30	\$88.30	\$0.00	0.00%	\$89.80	\$1.50	1.70%	\$91.30	\$3.00	3.40%
2,500 CF Average customer	\$202.00	\$202.00	\$0.00	0.00%	\$205.75	\$3.75	1.86%	\$209.50	\$7.50	3.71%
4,000 CF	\$397.30	\$397.30	\$0.00	0.00%	\$404.95	\$7.65	1.93%	\$412.60	\$15.30	3.85%
5,000 CF	\$527.50	\$527.50	\$0.00	0.00%	\$537.75	\$10.25	1.94%	\$548.00	\$20.50	3.89%
7,200 CF	\$813.94	\$813.94	\$0.00	0.00%	\$829.91	\$15.97	1.96%	\$845.88	\$31.94	3.92%
10,000 CF	\$1,178.50	\$1,178.50	\$0.00	0.00%	\$1,201.75	\$23.25	1.97%	\$1,225.00	\$46.50	3.95%
50,600 CF - 35 Unit Apartment	\$4,272.98	\$4,272.98	\$0.00	0.00%	\$4,348.88	\$75.90	1.78%	\$4,424.78	\$151.80	3.55%
107,000 CF -160 Unit Apartment	\$10,110.60	\$10,110.60	\$0.00	0.00%	\$10,271.10	\$160.50	1.59%	\$10,271.10	\$160.50	1.59%

# Proposed FY 2023 Combined Water & Sewer Rates

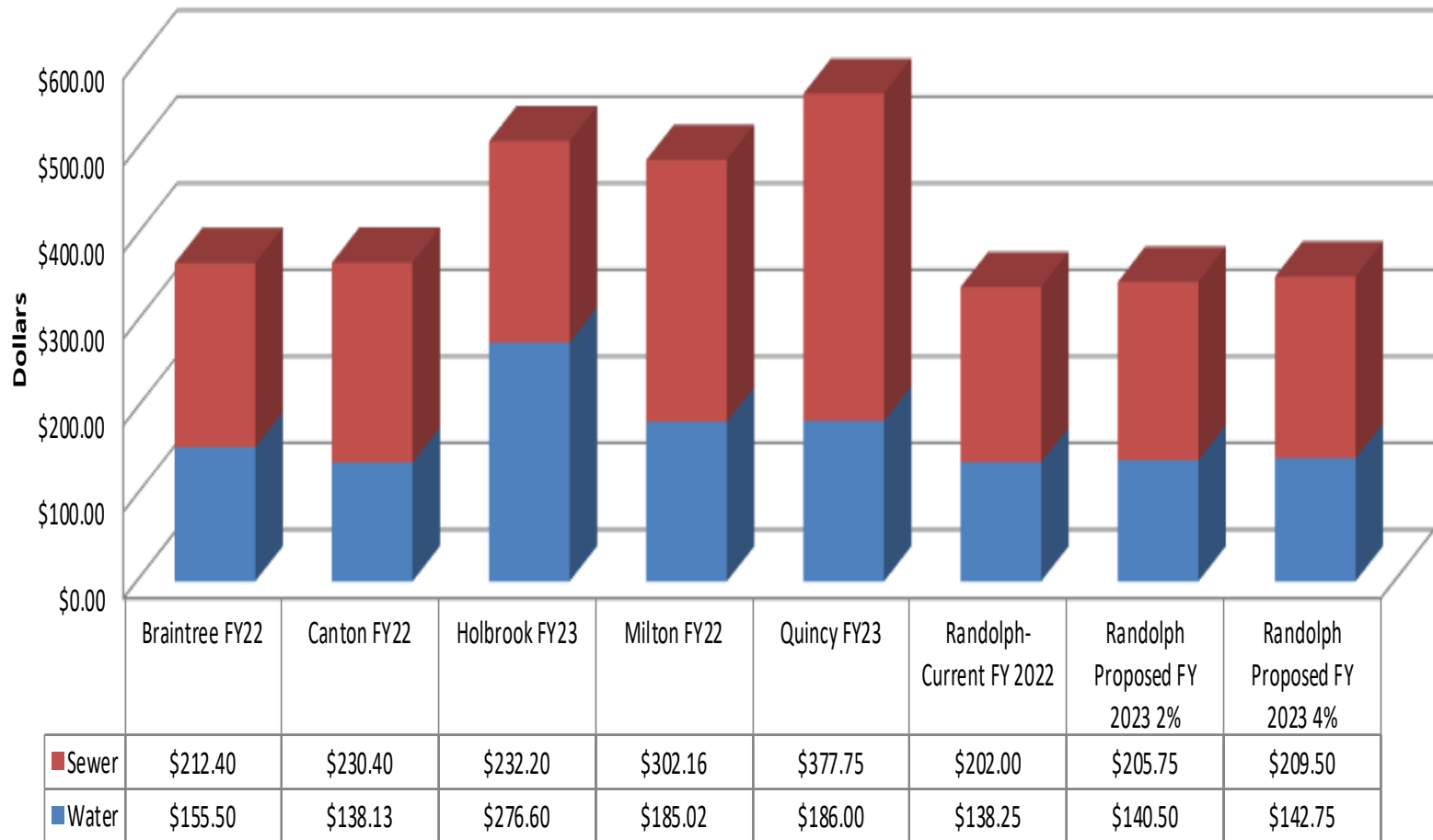
RANDOLPH WATER & SEWER DEPARTMENT								Exhibit 1		
Current vs Proposed Rates & Charges					2% Increase to Steps			4% Increase to Steps		
Combined Bill										
	Current Two Step FY 2022	No Increase Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023	Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023	Recommended Two Step FY 2023	Dollar Increase FY 2023	Percent Increase FY 2023
Combined Water & Sewer										
Revenue to be Generated	\$14,000,000	\$14,000,000	\$0.00	0%	\$14,200,000	\$200,000	1.43%	\$14,500,000	\$500,000	3.57%
<b>Base Charge - Quarterly</b>										
All Sizes	\$37.50	\$37.50	\$0.00	0.00%	\$37.50	\$0.00	0.00%	\$37.50	\$0.00	0.00%
Senior Base Charge	\$7.50	\$7.50	\$0.00	0.00%	\$7.50	\$0.00	0.00%	\$7.50	\$0.00	0.00%
<b>Metered Water Charges - Quarterly</b>										
1st Step (0 -2,500 CF)	\$12.11	\$12.11	\$0.00	0.00%	\$12.35	\$0.24	1.98%	\$12.59	\$0.48	3.96%
2nd Step (Over 2,500 CF)	\$18.78	\$18.78	\$0.00	0.00%	\$19.16	\$0.38	2.02%	\$19.53	\$0.75	3.99%
<b>Impact Analysis - Quarterly</b>										
500 CF	\$98.05	\$98.05	\$0.00	0.00%	\$99.25	\$1.20	1.22%	\$100.45	\$2.40	2.45%
1,000 CF	\$158.60	\$158.60	\$0.00	0.00%	\$161.00	\$2.40	1.51%	\$163.40	\$4.80	3.03%
2,500 CF Average customer	\$340.25	\$340.25	\$0.00	0.00%	\$346.25	\$6.00	1.76%	\$352.25	\$12.00	3.53%
4,000 CF	\$621.95	\$621.95	\$0.00	0.00%	\$633.65	\$11.70	1.88%	\$645.20	\$23.25	3.74%
5,000 CF	\$809.75	\$809.75	\$0.00	0.00%	\$825.25	\$15.50	1.91%	\$840.50	\$30.75	3.80%
7,200 CF	\$1,222.91	\$1,222.91	\$0.00	0.00%	\$1,246.77	\$23.86	1.95%	\$1,270.16	\$47.25	3.86%
10,000 CF	\$1,748.75	\$1,748.75	\$0.00	0.00%	\$1,783.25	\$34.50	1.97%	\$1,817.00	\$68.25	3.90%
50,600 CF - 35 Unit Apartment	\$7,440.16	\$7,440.16	\$0.00	0.00%	\$7,561.60	\$121.44	1.63%	\$7,683.04	\$242.88	3.26%
107,000 CF -160 Unit Apartment	\$18,957.70	\$18,957.70	\$0.00	0.00%	\$19,214.50	\$256.80	1.35%	\$19,310.80	\$353.10	1.86%





**Average Residential Customer**  
Combined Water and Sewer Bill  
Based on 2% and 4% increase

## Randolph Rates Compared to Surrounding Communities 2,500cf Quarterly





What does a  
gallon of  
Randolph  
Water Cost?

Less than \$0.01 cent!

What does  
a gallon of  
Randolph  
Sewer  
cost?

Less than  
\$0.02 cents



# Recommendations

- Increase FY 2023 water and sewer rates
- Implement FY 2023 Rates Beginning July 1, 2022
- Continue to build reserves to offset future capital costs