

# Poolesville

Water/Sewer Rates

# Water System

- Water system infrastructure dates back to 1970's ■  
Poolesville serves 2,000 customer accounts
- System consists of: – 22 miles of ductile iron pipe, varying in size from 4” to 18” – 1 radionuclide removal treatment facility – 2 Storage Tanks – 11 well pumping stations – 220 fire hydrants



# Sewage Conveyance System

- Conveyance system infrastructure dates back to 1970's
- System consists of: – 25 miles of mixed material pipe, varying in size from 2" to 16" – 1 lagoon holding basin – 6 sewage pumping stations



# WWTP

- WWTP constructed in the 1980's
- System consists of: – 4 sequencing batch reactor treatment basins – multi-media filters – ultra violet disinfection – sludge dewatering unit – programmable logic controller
- Permitted to treat up to 750,000 gallons per day
- Enhanced nutrient removal system

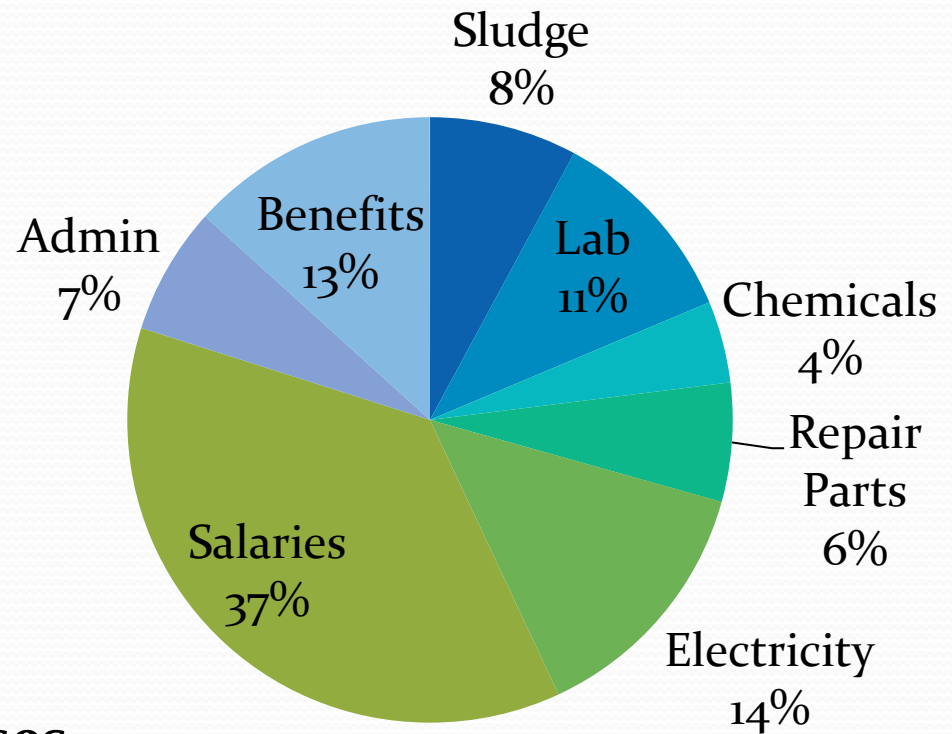


# Background – Current Challenges

- Growing costs
- More stringent permitting and regulatory requirements
- Salaries & benefits
- Increasing operation and maintenance needs
- Rates should reflect cost of service
- Utilities should operate as an Enterprise Fund
- Unpredictable usage (water)

# Cost of Service

- Operations only, Debt service and Capital programs paid from General Fund.
- 8.5 employees



**Expenses**

# Revenue and Expense Summary

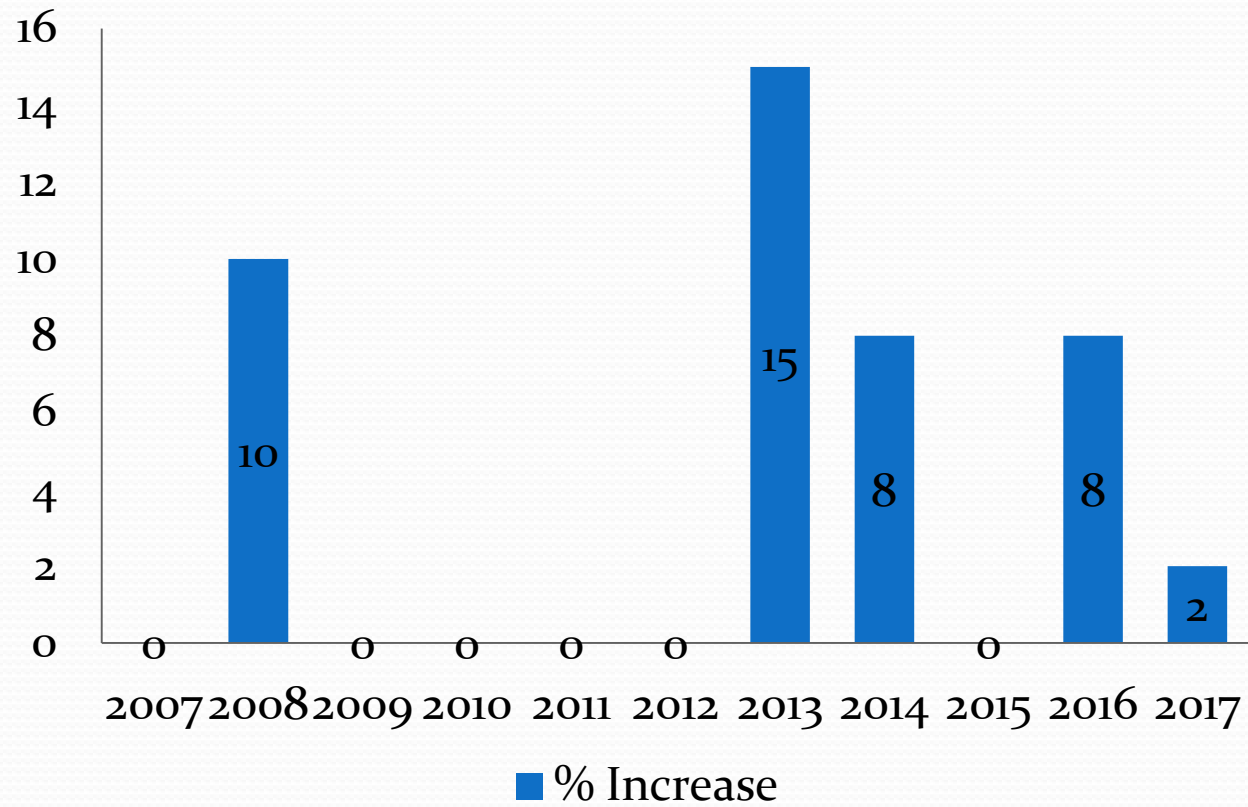
- Operational cost 2017 \$1,272,915
- Revenue Stream
  - User Fees – 1,121,302
  - WSSC/Contractor fees – 40,000
  - Interest Income – 4,000
  - Bay Fund Admin Fee – 5,000
  - Tap Fees – 15,000
  - Total - \$ 1,185,302
- \$87,613 Deficit

# Expense Cuts

- Over the past several years and including this year, we have implemented several strategies to reduce costs.
  - Applied for and received a energy saving light grant
  - Installed variable drive motors
  - Installed solar array
  - Changed chemical treatments and reduced usage
  - Installed new sludge dewatering unit
  - Use capital general funds for pump replacement/repairs



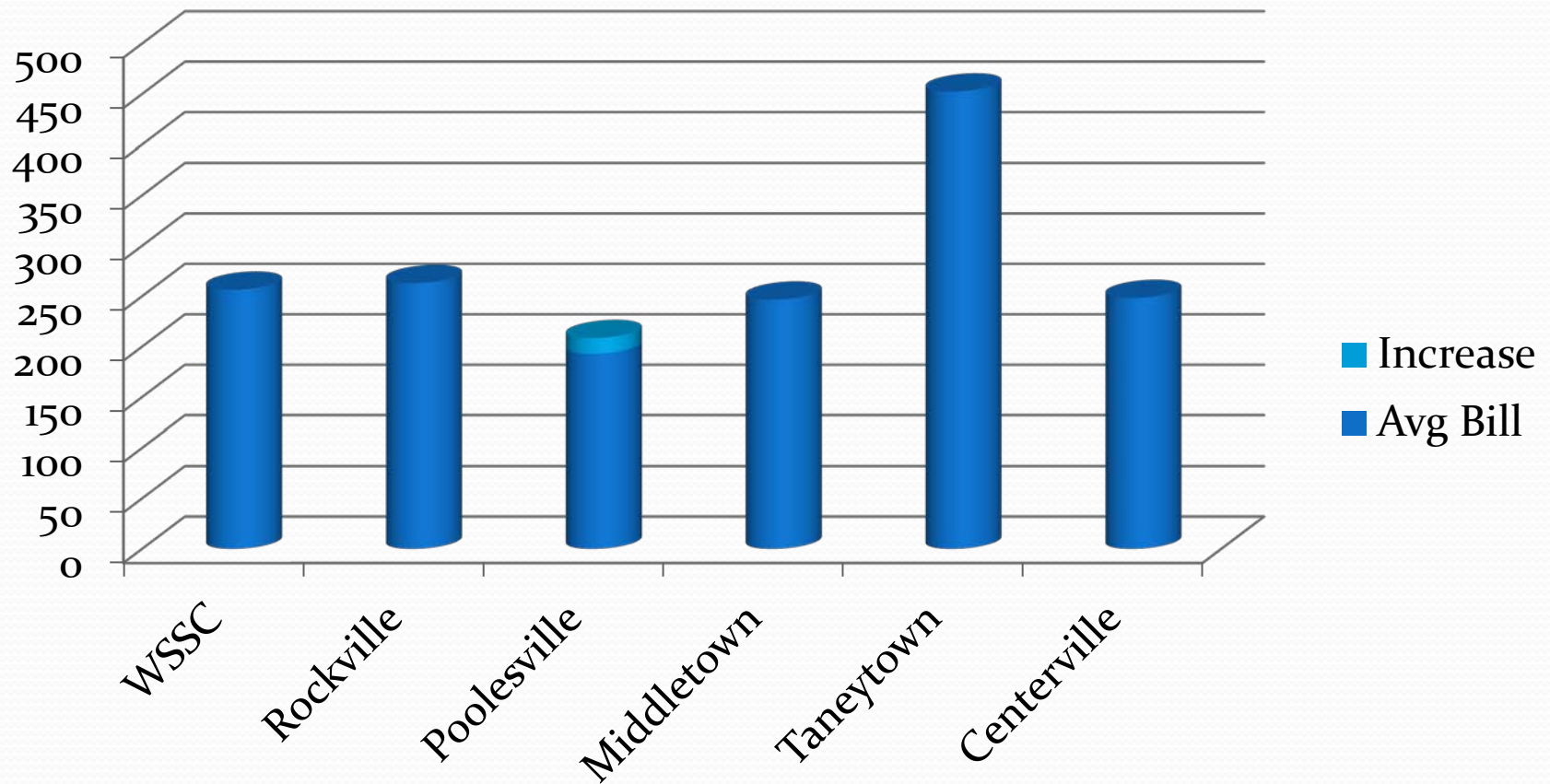
# Rate History



# Industry Wide

- Water/sewer rates have increased by more than 100% at approximately one third of the nation's utilities surveyed by the American Water Works Association (AWWA)
- According to WSSC, declining water use per capita consumption of 20% to 30% over past decade resulting from:
  - High efficiency fixtures
  - Conservation
  - Increases in rates
  - Economic conditions
- We have experienced a decline in usage, even with the 200 new homes.
- For Poolesville, water usage is a function of rainfall.
- While Poolesville will continue to manage costs, future rate increases will be needed and evaluated each budget cycle.

# Community Water Bill Comparison



# Water & Sewer Rates

Current Rates		Proposed Rates	
0 – 30,000 gallons	\$9.65/1,000	0 – 30,000 gallons	\$10.42/1,000
30,001 – 40,000	\$10.81/1,000	30,001 – 40,000	\$14.34/1,000
40,001 – 50,000	\$11.94/1,000	40,001 – 50,000	\$15.44/1,000
50,001 – up	\$13.12/1,000	50,001 – up	\$16.21/1,000
Contractor water only rate	\$6.56/1,000	Contractor water only rate	\$7.41/1,000

- 92% to 96% of users fall into the 0 – 30,000 gallon per quarter use category
- The 0 – 30,000 tier shows an 8% increase
- All other categories reflect a rate similar to WSSC

# Customer Impacts

Usage	Units Billed	Avg. Gal. Quarterly	Current Charge	Proposed Charge	Quarterly Change	Monthly Change
0 – 10,000	763	7,000	67.55	72.94	5.39	1.80
01 – 20,000	897	15,000	144.75	156.30	11.55	3.85
01 – 30,000	176	24,000	231.60	250.08	18.48	6.16
01 – 40,000	30	35,000	343.55	384.30	40.75	13.58
01 – 50,000	13	44,000	445.36	517.76	72.40	24.13
50,000 - up	17	65,000	713.80	853.55	139.75	46.58

- April – June quarter was used in determining units billed value
- The 50,000 – up usage category is made up of restaurants, schools, pool and a handful of residences.
- Most of the users in that category fall between 60k to 90k with the exception of the schools (80k – 300k) and pool (1M +).
- During last summer 33 residential units used above 50,000/quarter

# Next Steps

- Develop Resolution
- Set Public Hearing
- Adopt new rates