

Rate Sheet Notes

- **Gallon Usage:**
 - The percentage of gallons used is from the percentage of actual gallons used by class in the most recent complete year .
 - Residential Sewer usage gallons are lower than Water usage gallons due to farms which do not have sewer.
 - Commercial & Government Sewer usage is significantly lower than Water usage because the waste water plant does not pay for sewer but uses about 3M gallons of water per year, which they do pay for.
 - The School uses the same gallons in Water and Sewer.
 - When forecasting usage for rates, previous year usage is multiplied by 0.98 so rates are a bit higher per gallon to account for usage going down due to conservation.
- **School Rates**
 - To assess a fire protection fee to the school, five percentage points in use are added to the school rate, with a corresponding reduction of two points from Residential and three points from Commercial & Government.
- **Fixed vs. Metered Fees**
 - Fixed fees in general should cover the capital expenses.
 - The allocation between fixed and metered fees within a class is reviewed each year to strike a balance between guaranteeing revenue from fixed fees, while charging heavy users more than light users by using metered fees.
- **Adjustments when revenue is over or under budget**
 - Revenues somewhat lower than expected may reduce investments in reserve funds - rather than rate increases
 - Revenues somewhat higher than expected may be used to make capital purchases, pay down debt, or increase reserve funds - rather than rate decreases
- **Notes on Other User Groups**
 - "Industry" rates are for the Stone Corral breweries usage of the sewer. The rates are based off of an estimate of the previous year's usage and based on a dollar amount per lb for excess Biochemical Oxygen Demand (BOD). These rates apply because the brewery produces more of the type of wastewater that requires higher BOD, and there is a cost to process that waste water.
 - "Allocated Accounts" These older accounts that are just holding space for a fee per year. They do this to avoid paying an allocation fee for any gallons needed for a project. They still pay a connection fee/meters/etc....for actual connection.
 - "Allocated Rate Fees" are based on 50% of the fixed fee for the Commercial and Government class.

- Note: The rate on the sheet is not a formula due to a circular reference. You need to manually enter this rate as 50% of the Commercial and Government fixed fee.
- **Notes on Other Revenue**
 - “Sale of Water” refers to any sales we make to non-users. For instance a private hauler to fill another water system or to use elsewhere, like in a pool.
 - “Fire Protection/Tank Fee”
 - This was instituted in FY16 as a way to help pay for the part of the water tank. The fee is 48% of the main note plus 48% of the gap note.
 - There is also a usage fee for non-metered water used by the Town, primarily the Fire Department. This is usually set at 5% of the water budget.
 - FY20 water Budget is \$349,534, 5% of that is \$17,477
 - FY20 principal and interest on the gap loan is \$29,798, 48% of that is \$14,303
 - FY20 Water Reservoir principal and interest is: \$37,705, 48% of that is \$18,098
 - Total Fire Protection by the above calculations are \$49,878
 - Total Fire protection in the FY20 budget is \$45,637, or \$4,241 below the above calculation.
 - “Septage Revenue” is revenue generated by accepting septage from private haulers at the Waste Water Plant.
 - Septage is on track to come in at \$190,000 in FY19 and we see no reason alter this budget number for FY20.
 - “Gateway revenue” is any revenue that would come in with a future expansion of the system to the Gateway. Any costs associated with extending the service lines would be borne by the new users.
 - “Hook-On Fees” are an estimate of revenue generated yearly from hook on fees. The annual total budgeted for hook on fees has remained at a conservative estimate as you cannot accurately predict actual revenue for a given year.
 - “Miscellaneous Fees” cover anything that turns up that is not covered by the other revenue categories. For example, a sale of a piece of equipment.
 - “Interest on Investments” is interest we earn on our bank account. This year there is an allocation of \$5,000 total for interest and it is split 30% Water, 70% Sewer. This is a conservative estimate, and about half of the \$10,000 we may get. This will help to offset what we collect in user rates, but we cut in in half so if actual interest is lower than the \$10,000 we will not suffer a budget shortfall.