

January 14, 2022

Town of Richmond
Attn: Kendall Chamberlin, Water Resources Dept. Superintendent
203 Bridge Street
Richmond, VT 05477

RE: Septage Revenue vs. Operational/Maintenance Costs

Project Understanding

The Town of Richmond requested that East Engineering complete a general review of the Town's wastewater disposal facility accepting septage from third party haulers. The review is to ensure that accepting septage at the current quantities is in the best financial and operational interests of the Town in the long-term.

Document Review & Findings

East Engineering reviewed several documents including:

- The 2021 fiscal year budget for wastewater
- Septage revenue by month for July 2020 to June 2021
- NPDES Permit No 3-1173 Monthly Reporting forms for July 2020 to June 2021

In addition to the available documents, I discussed operational practices, administrative efforts, and associated wastewater treatment operations with Kendall Chamberlin on January 11, 2022.

Based on the available data, septage revenue accounts for a large percentage of overall revenue for the wastewater program. There are undoubtedly some extra operational and maintenance costs associated with accepting larger amounts of septage (e.g. Chittenden Solid Waste Disposal tipping fees, equipment maintenance/repairs, etc.), however, in my opinion, the revenue received significantly outweighs the extra associated costs. Without the additional revenue from septage, the annual budget would likely be unsustainable with the current user rates.

The Town of Richmond recently increased their septage rate from \$0.05 to \$0.06. The recent \$0.01 increase is warranted given general inflation and is still very competitive with surrounding similar wastewater facilities. It is expected that the competitive rate will continue to bring in significant revenue to the Water Resources Department.

Conclusion

As long as the Richmond wastewater facility can stay within the NPDES Permit (3-1173) constraints (e.g. BOD, Flow, etc.), and septage acceptance does not put an undue burden on the facility (which is currently is not), the additional revenue collected is a significant benefit to the Town. In my opinion, the benefit of taking septage is clear enough that a detailed cost/benefit or life-cycle cost analysis of specific equipment is not warranted based on the available data.

Please let me know if there are any questions or you need any additional information.

Sincerely,



Tyler Billingsley, P.E.
Engineer / Owner