



LaBella

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Pawling Wastewater Rates

WasteWater Rate Presentation to Pawling Joint Sewer Commission

April 13, 2023

Tonight's Discussion

- **PJSC Financing Concepts and Applications**
 - **How PJSC keeps track of WasteWater revenue and expenditures**
 - **Annual WasteWater Budgets and Collections**
- **Recent and Near-Term Future WasteWater Budgets**
- **PJSC Fund and WasteWater Rate Fundamentals**
 - **Benefitted Use**
 - **Components of Rates**
- **Current WasteWater Rates and Recommended Future Rate Structure**
- **Implementation Schedule**



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PJSC WasteWater Financing

PJSC and the Village Treasurer Separately Track Wastewater Money Received and Spent

- This Fundamental is Consistent with NYS Municipal Finance Law...Only those who receive benefits are responsible to pay the costs
- All debt incurred by the Pawling Joint Sewer Commission is a debt of the Village of Pawling
 - The Village Treasurer is responsible for issuing and paying debt obligations of the PJSC.
 - PJSC bills users for wastewater collection and disposal Services and collects revenue
 - The PJSC must transfer principal and interest payments to the Village before Bond Payments are do
 - The Village makes payments to the bond holders.



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PJSC Financing

Budgets and Collections

- PJSC Annually establishes the WasteWater Budget
- PJSC Periodically Reviews WasteWater Rates and revises these to generate the revenue it needs to operate the System
- PJSC Pays Expenses and Collects revenue
 - If there is a surplus it --→ goes to the WasteWater Fund
 - If there is a shortfall <-- Comes from the WasteWater Fund Balance

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Example of Recent and Some Future WasteWater Fund Budgeting needs

Category	2021	2022	2023	2024	2025
O&M	\$800,000	\$830,000	\$913,000	\$970,000	\$1,030,000
Capital	\$350,000	\$300,000	\$300,000	\$300,000	\$350,000
Revenue Needs	\$1,150,000	\$1,130,000	\$1,213,000	\$1,270,000	\$1,380,000
Fund Balance	-\$10,000	+\$20,000	-\$70,000	-\$90,000	-\$150,000



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WasteWater Rates Usually have two Components

1. Operation and Maintenance
 - Pays for everything that “keeps the lights on”
2. Service Fee unrelated to flow usually used to pay for fixed expenses and Repayment of Bonds
 - Municipal Bonds are used to spread out cost of improvements
 - Think of a families Mortgage on a house
 - Fixed costs must must be paid regardless of flow

Currently PJSC uses a complicated algorithm to recover Capital Expenses and PJSC Desires to make this calculation simpler to calculate and maintain



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Municipal Solutions and LaBella Recommend keeping the two Component Rate System but make it simpler by assigning a quarterly service fee to each user

Operation and Maintenance

- WasteWater rate is multiplied by gallons used during the quarter to calculate O&M Charge

Quarterly Service Fee

- Each user is charged a quarterly service fee established by the PJSC

Total Quarterly Payment for Wastewater Disposal Services

- Is the sum of the O&M Charge plus the Quarterly Service Fee



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Comparison of existing and Proposed Rates

Current Rate	Current Rate	Future Rate
O+M Use per Quarter	(User's flow/total of all Quarterly flow)* (quarterly budget) Minimum 8000 gal/quarter	Zero to 500,000 gal/quarter \$15.00/1000 with 5000 gallon minimum 500,001 to 1,000,000 gal/quarter \$10.00/1000 1,000,001 and up gal/quarter \$7.50/1000
Capital Charge	Phase 1 $\left(\frac{\text{User's Gallons used in quarter}}{\text{Sum of all use in Quarter, Gallons}} * 0.75 \right) + \left(\frac{\text{User's Assessment}}{\text{Sum of All User's Assessments}} * 0.25 \right)$	Service Charge Varies \$60/quarter for single family home \$1000/ quarter Large Commercial \$2500/ quarter Schools \$6000/ quarter Residential Schools
	Phase 2 $\left(\frac{\text{Phase 2 User's quarterly Gallons}}{\text{Sum of all Phase 2 Quarterly Gallons}} \right)$	



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Current Flat O&M Rate				Proposed Rates				
	Min gal	Upper limit, gal	Quarterly Cost, \$	Min gal	Upper limit, gal	Wastewater Use Rate	Service Charge,\$	Quarterly Charge, \$
Smallest users Fewer than 5000 gal/Q	0	8000	\$60. plus 68.00 for a total of \$128	0	5000	Min. at 75	60	\$78 plus \$60.00 = \$138
Typical users using 12,000 gal/Q	8001	And Greater	\$88.80 plus 100 for a total of \$188	5001	500,000	\$180	60	TYP house using 12,000 gal \$180 plus \$60 =\$240
Commercial Users	8001	And greater	Varies \$3,000 to 20,000	500,001	1,000,000	Varies \$1000-\$18,000	Varies 1,000 to \$6,000 per user	Varies \$3000 to \$25,000

water Presentation to PJSC April 13, 2023

Proposed Pawling Wastewater Rates based on Service charge plus O&M Charge March 2023

Apply a service charge to all customers for wastewater services

	Service Charge per quarter , \$	Annual Charge , \$
Vacant Properties with Frontage on Streets with sewers	50	200
Single family residential units	60	240
Small Commercial Users under 20,000/Q	120	480
Two-Family Residential Units	120	480
Three-Family Residential Units	180	720
Other Small Commercial Users 20001/Q > 100,000/Q	500	2000
Large Commercial Quarterly flow 100,100 >	1000	4000
Apartments 2-5	180	720
Apartments 6-10	500	2000
Apartments 11-20	900	3600
Apartments 21-30	1500	6000
Apartments 31-40	2100	8400
Apartments 41-50	2500	10000
Apartments Greater than 50	3000	12000
Industrial	1200	4800
Public Schools	2500	10000
Non-Public non-Residential Schools	1500	6000
Residential Schools	6000	24000

Apply a Use charge to all customers based on quarterly use

Wastewater Rate first 500,000 per quarter	\$15.00/1000 gal
Wastewater Rate for flow between 500,001 and 1,000,000	\$10.00/1000 gal
Wastewater Rate for flow above 1,000,001	\$7.5/1000 gal

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If Minimum Quarterly flow is 5000 gal or less - a minimum quarterly O&M charge of \$75 plus a quarterly Service charge will be assessed.

A single family using the minimum volume can expect on an Annual basis that these charges will be \$300 for O&M plus \$240 service for a single family annual total of \$540.

A Penalty Bill as calculated below will apply to all users who refuse, after two notices, to allow the Village to install or upgrade the user's water meter

The customers Quarterly Bill shall be calculated based on a flow of 5000 gallons of use at the rate of \$15.00/1000gal; to this calculated dollar value will be added to the customer's assigned assigned quarterly Service Charge.

The customers Quarterly Bill shall then be multiplied by 2.5 and the resultant shall be the Penalty Bill.

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Proposed Implementation Schedule

Implementation next steps

Winter 2023--Initial Presentation to PJSC and Public

Winter 2023--Engage Williamson Law to program Billing System

Mid Summer 2023--Test Billing Program by comparing 2nd Quarter bills both ways

Mid Summer 2023 –PJSC accepts the New Rate Schedule for consideration and schedules Public Hearing

Late Summer 2023--Certify that Program works as planned

Late Summer 2023 PJSC Hears the Public, Closes the Hearing and considers adoption of New Rates

September 2023-- Use new Billing Program to Bill Customers

