

TOWN OF AMHERST FY22 WATER & SEWER RATES

TOWN COUNCIL

APRIL 12, 2021



AGENDA

- Proposed FY 22 Rates
- Financial Summary
- Community Comparison





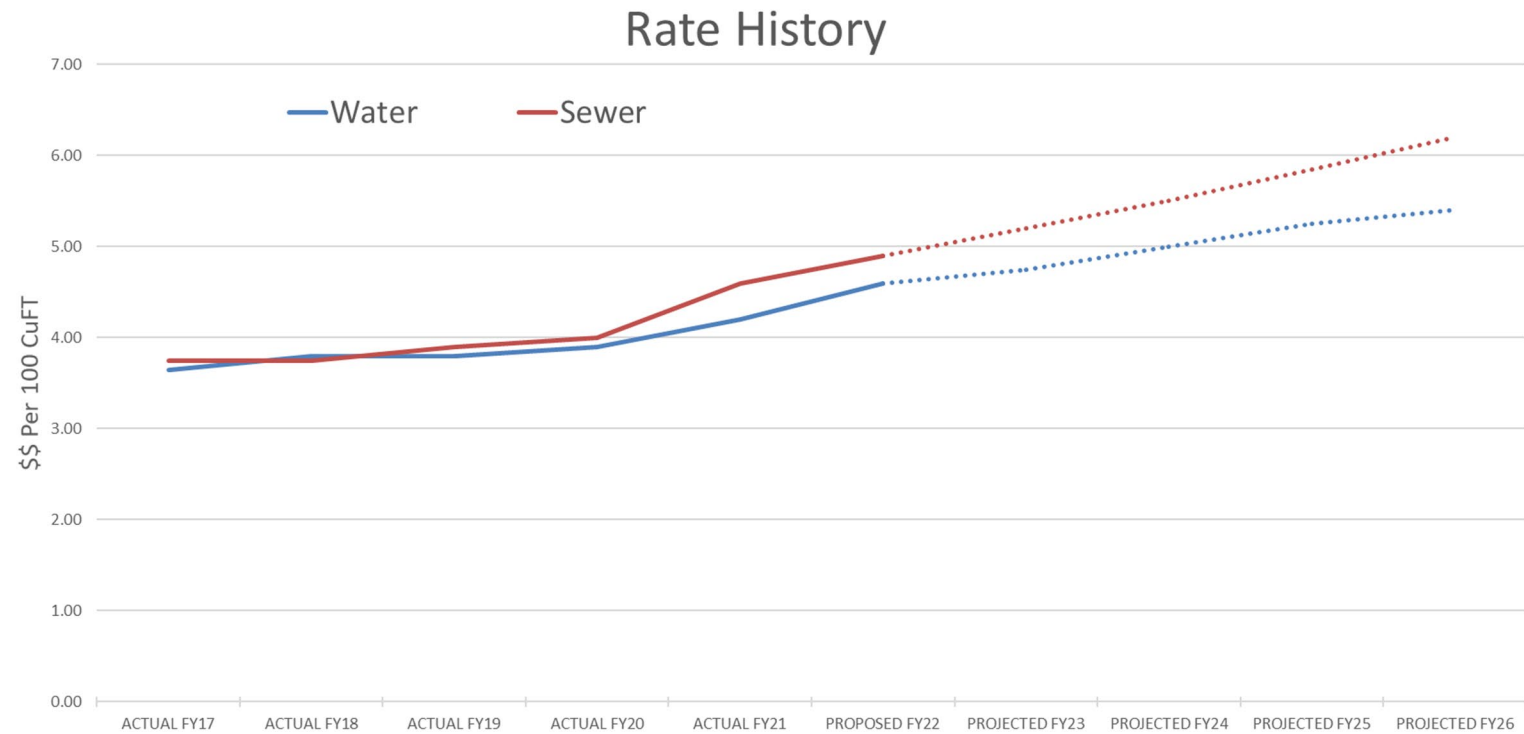
PROPOSED FY22 RATES

Water Rate – \$4.60

- Increase of \$0.40 from FY21 or 9.5%

Sewer Rate - \$4.90

- Increase of \$0.30 from FY21 or 6.5%



FINANCIAL SUMMARY

There are three main causes for the proposed rate increase:

- Water consumption has been decreasing appx. 2% per year over the past several years. This trend creates fiscal pressure on the enterprise funds by lowering the amount to be billed
- Both enterprise funds have significant capital improvements underway which will increase annual debt service costs in the fund:
 - Water – Centennial estimated at \$11 million (updated estimate at \$13.8 million)
 - Sewer – Gravity Belt Thickener and Reuse Water estimated at \$7.3 million
- The closure of the colleges and university has caused consumption to drop even more dramatically beginning in March 2020. While some students have returned, consumption is still well below normal levels.

The enterprise funds will be discussed in greater detail during the FY22 budget discussions.

FINANCIAL SUMMARY

The Town is exploring ways to help mitigate the impact of these infrastructure projects on rate payers. Two options include:

- Generating additional revenue from the reuse water program and
- Applying for sewer rate relief grants

In addition, Town staff will be working with the Finance Committee to consider alternative rate structures.

COMMUNITY COMPARISON



| | Average Water and Sewer Bills Latest Data Available 120 hcf/yr | | |
|----------------------|--|--------------|----------------|
| Community | Water | Sewer | Total |
| Holyoke | \$423 | \$597 | \$1,020 |
| Easthampton | \$390 | \$651 | \$1,041 |
| Amherst | \$504 | \$552 | \$1,056 |
| South Hadley F.D. #1 | \$566 | \$560 | \$1,126 |
| Greenfield | \$404 | \$660 | \$1,064 |
| South Hadley FD #2 | \$540 | \$530 | \$1,070 |
| Hadley | \$664 | \$738 | \$1,402 |
| Springfield | \$467 | \$685 | \$1,153 |
| Chicopee | \$456 | \$758 | \$1,214 |
| State Median | \$568 | \$838 | \$1,406 |
| State Average | \$595 | \$862 | \$1,457 |
| Northampton | \$633 | \$943 | \$1,576 |
| Belchertown | \$700 | \$849 | \$1,549 |
| Montague | \$448 | \$1,282 | \$1,729 |
| South Deerfield | \$409 | \$1,307 | \$1,716 |



QUESTIONS/FEEDBACK



- Thank you !