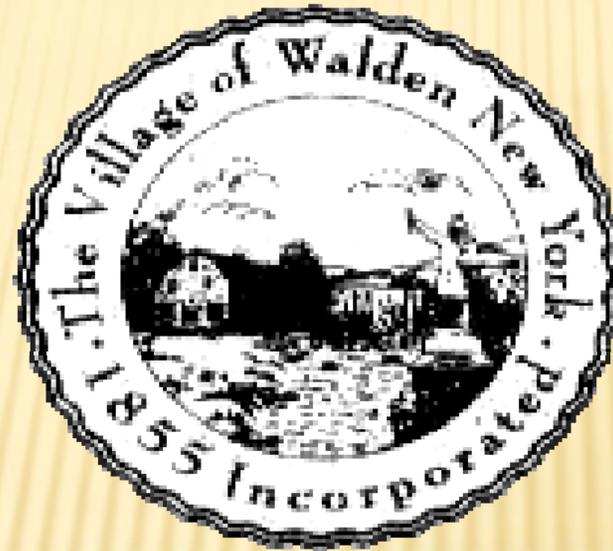


VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS



VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Water Fund



VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

The Water Fund Figures Summary:

- + Current Village Water Rate
 - × \$4.20 per 100 c.f. (1,000 gal = \$5.61)
 - × 2,262 active accounts
 - × The cost of one gallon of water to a Village User in 2014 was \$0.0056.
- + 2014 water consumption figures
 - × Average Daily Water Produced = 635,940 gal
 - × Total Billed Water Billed = 138,964,651 gal
 - × Billed Water Consumption has declined over the past 3 years by 8%.

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

2014 Water Budget Figures

- + Water Fund generated approximately \$819,000.00 in revenue for 2014.
- + The operating and maintenance (O & M) and debt costs was approximately \$927,000.00 for 2014.
- + Leaving a deficit of -\$108,000.00 for 2014.

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Rate Comparison with neighboring Municipalities:

- × Village of Maybrook \$4.15 for water and sewer with quarterly fees of \$5.00 for Water and \$6.25 sewer. (Smaller System)
- × Village of Montgomery \$2.85 for water and \$5.04 for sewer. (Smaller System)
- × Village of Goshen \$4.80 for water and \$4.80 for sewer with quarterly fees of \$10.00 for water and \$140.00 for sewer. (Comparable Size)

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Current Status of the Water Fund:

- × The water fund without increase, will incur a deficit of approximately \$574,000.00 over the next 5 years (2020). An average deficit of \$114,800.00 per year.
- × This will eliminate the remaining fund balance (\$291,000) within two years.
- × Increases in yearly operating costs averaging 4.5% per year, a decrease in the overall water revenue (8%) and scheduled improvements/debt are the main contributing factors of the deficit.
- × The water rate has not been adjusted since 2010.
- × As a result, the fund balances are declining and jeopardizing ability to fund future projects and maintain positive balance accounts.

Water Fund – No Increase//No Action Scenario

Water Budget	June 2014- 2015	June 2015-2016	June 2016-2017	June 2017-2018	June 2018-2019	June 2019-2020
		No Increase	No Increase	No Increase	No Increase	No Increase
Rate	Rate is \$4.20	Rate is \$4.20	Rate is\$4.20	Rate is \$4.20	Rate is \$4.20	Rate is \$4.20
Revenue:	\$818,838.04	\$813,838.04	\$813,838.04	\$813,838.04	\$813,838.04	\$813,838.04
O & M Total Costs:	<u>\$670,771.24</u>	<u>\$635,522.00</u>	<u>\$662,297.72</u>	<u>\$690,314.71</u>	<u>\$719,631.59</u>	<u>\$750,309.76</u>
Debt Total Costs:	\$256,150.00	\$248,071.00	\$269,520.00	\$267,805.00	\$226,300.00	\$174,000.00
Grand Total Costs:	\$926,921.24	\$883,593.00	\$931,817.72	\$958,119.71	\$945,931.59	\$924,309.76
Net cost:	<i>-\$108,083.20</i>	<i>-\$69,754.96</i>	<i>-\$117,979.68</i>	<i>-\$144,281.67</i>	<i>-\$132,093.55</i>	<i>-\$110,471.72</i>

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

An analysis of the water fund was prepared estimating revenue and O & M costs up until June 2020.

- × The analysis found that the water fund will require an increase to cover current and future costs based upon the future cost analysis.
- × Outstanding debt has increased by 47% over the last 4 years due to required improvements to the water system:
 - ★ Major Projects Included:
 - × East Walden water treatment facility upgrade,
 - × Rehabilitation and pump replacement for wells 4,6,7,8. Well 5 is scheduled for Spring 2015.
 - × Installation of Generator for East Walden Water Treatment Building and Well 4.
 - × Repainting and repair of the Gladstone and Wait Street Water Storage Tanks.
 - × Replacement of the Water Telemetry System and operating software.
- × Based upon the Water Rate Committee consensus; three options for fund increases are currently proposed:
 - ★ Option 1: Adopt and implement a quarterly fee.
 - ★ Option 2: Adopt and Implement a quarterly fee and water rate increase

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Option 1:

Implement a quarterly fee of \$10.00 per quarter.

Increase the water rate by \$0.25 in 2015 only.

New rate would be \$4.45 for 100 c.f.

This option enables the water fund to be basically even over the next 5 years.

Water Fund – Option 1-\$10 Quarterly Service Fee and \$0.25 Rate Increase

Water Budget	June 2014-June 2015	June 2015-2016	June 2016-2017	June 2017-2018	June 2018-2019	June 2019-2020
Proposed Increase		\$0.25 Increase	No Increase	No Increase	No Increase	No Increase
Proposed Rate	Rate is \$4.20	Rate would be \$4.45				
Quarterly Fee	\$10.00	\$90,480.00	\$90,480.00	\$90,480.00	\$90,480.00	\$90,480.00
Grand Total Revenue:	\$818,838.04	\$939,059.04	\$939,059.04	\$939,059.04	\$939,059.04	\$939,059.04
O & M Total Costs:	\$670,771.24	\$635,522.00	\$662,297.72	\$690,314.71	\$719,631.59	\$750,309.76
Debt Total Costs:	\$256,150.00	\$248,071.00	\$269,520.00	\$267,805.00	\$226,300.00	\$174,000.00
Grand Total Costs:	\$926,921.24	\$883,593.00	\$931,817.72	\$958,119.71	\$945,931.59	\$924,309.76
Net cost:	-\$108,083.20	\$55,466.04	\$7,241.32	-\$19,060.67	-\$6,872.55	\$14,749.28

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Option 2:

Implement a quarterly fee of \$12.00 per quarter.

No Increase in Water Rate.

This option enables the water fund to be basically even over the next 5 years and not require a rate increase.

Water Fund – Option 2- \$12 Quarterly Fee

Water Budget	June 2014-2015	June 2015-2016	June 2016-2017	June 2017-2018	June 2018-2019	June 2019-2020
Proposed Increase		No Increase				
Proposed Rate	Rate is \$4.20	Rate would be \$4.20	Rate would be \$4.20	Rate would be \$4.20	Rate would be \$4.20	Rate would be \$4.20
Quarterly Fee	\$12.00	\$108,576.00	\$108,576.00	\$108,576.00	\$108,576.00	\$108,576.00
Grand Total Revenue:	\$818,838.04	\$922,414.04	\$922,414.04	\$922,414.04	\$922,414.04	\$922,414.04
O & M Total Costs:	\$670,771.24	\$635,522.00	\$662,297.72	\$690,314.71	\$719,631.59	\$750,309.76
Debt Total Costs:	\$256,150.00	\$248,071.00	\$269,520.00	\$267,805.00	\$226,300.00	\$174,000.00
Grand Total Costs:	\$926,921.24	\$883,593.00	\$931,817.72	\$958,119.71	\$945,931.59	\$924,309.76
Net cost:	-\$108,083.20	\$38,821.04	-\$9,403.68	-\$35,705.67	-\$23,517.55	-\$1,895.72

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Sewer Fund



VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

The Sewer Fund Figures Summary:

- + Current Village Sewer Rate
 - × \$4.95 per 100 c.f. (1,000 gal = \$6.61)
 - × 2,246 active accounts
- + 2014 Sewage Treatment figures:
 - × Average Daily Sewage Treated = 967,123 gal
 - × Total Billed Sewer= 138,964,651 gal
 - × Billed Sewer Consumption has declined over the past 3 years by 8%. (Same as Water).
 - × The cost to the user to treat one gallon of sewage in 2014 was \$0.0066.

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

2014 Sewer Budget Figures

- + Sewer Fund generated approximately \$948,000.00 in revenue for 2014.
- + The O & M and debt costs was approximately \$1,031,000 for 2014.
- + Leaving a deficit of -\$83,000.00 for 2014.

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Current Status of the Sewer Fund:

- × The sewer fund without increase, will incur a deficit of approximately \$392,000.00 over the next 5 years. An average of \$78,400.00 per year.
- × This will eliminate the remaining fund balance (\$51,000.00) in less than one year.
- × Increases in yearly operating costs averaging 4.5% per year, a decrease in the overall water revenue (8%) and mandated capital improvements from the NYSDEC are the main contributing factors.
- × The sewer rate has not been adjusted since 2011.
- × As a result, the fund balances are declining, jeopardizing ability to fund future projects and maintain positive balance in account.

Sewer Fund – No Increase // No Action

Sewer Budget	June 2014-June 2015	June 2015-2016	June 2016-2017	June 2017-2018	June 2018-2019	June 2019-2020
		No Increase				
Rate	Rate is \$4.95					
Grand Total Revenue:	\$948,202.04	\$943,202.04	\$943,202.04	\$943,202.04	\$943,202.04	\$943,202.04

O & M Total Costs:	\$612,075.00	\$615,673.00	\$643,168.95	\$671,999.09	\$702,206.84	\$733,858.73
Debt Total Costs:	\$418,694.00	\$411,269.00	\$321,021.00	\$368,554.00	\$315,026.00	\$325,169.00
Grand Total Costs:	\$1,030,769.00	\$1,026,922.00	\$964,189.95	\$1,040,553.09	\$1,017,232.84	\$1,059,027.73
Net cost:	-\$82,566.96	-\$83,719.96	-\$20,987.91	-\$97,351.05	-\$74,030.80	-\$115,825.69

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

An analysis of the sewer fund was developed estimating revenue and O & M costs up to June 2020.

- × The analysis concluded that the sewer fund requires an increase to cover current and future costs based upon the future cost analysis.
- × Outstanding debt has increased by 34% over the last 4 years due to mandated improvements to the sewer system:
 - ★ Major Projects Included:
 - × Wastewater Treatment Plant digester upgrade and headworks improvements.
 - × Replacement of the Maple Street Sewermain.
 - × Replacement of the Pleasant Avenue Sewermain.
 - × Replacement of the Belt Filter Press at the Wastewater Treatment Plant.
 - × Cleaning and CCTV of entire Village Collection System.
 - × Repair of the sewermain and drainage on Rifton Place.
- × Base upon the Committee consensus, two options for fund increases are currently proposed:
 - ★ Option 1: Implement a quarterly fee
 - ★ Option 2: Implement a quarterly fee with rate increase

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Option 1:

Adopt a quarterly fee of \$15.00 per quarter.

The sewer rate would remain the same.

The fund balance would be replenished to meet NYS standards and recommendations and overall debt would be reduced.

Sewer Fund – Option 1- \$15 Quarterly Fee

Sewer Budget	June 2014- 2015	June 2015-2016	June 2016-2017	June 2017-2018	June 2018-2019	June 2019-2020
		No Increase				
Proposed Rate	Rate is \$4.95	Rate would be \$4.95	Rate would be \$4.95	Rate would be \$4.95	Rate would be \$4.95	Rate would be \$4.95
Quarterly Fee	\$15.00	\$134,760.00	\$134,760.00	\$134,760.00	\$134,760.00	\$134,760.00
Grand Total Revenue:	\$948,202.04	\$1,077,962.04	\$1,077,962.04	\$1,077,962.04	\$1,077,962.04	\$1,077,962.04

O & M Total Costs:	\$612,075.00	\$615,673.00	\$643,168.95	\$671,999.09	\$702,206.84	\$733,858.73
Debt Total Costs:	\$418,694.00	\$411,269.00	\$321,021.00	\$368,554.00	\$315,026.00	\$325,169.00
Grand Total Costs:	\$1,030,769.00	\$1,026,922.00	\$964,189.95	\$1,040,553.09	\$1,017,232.84	\$1,059,027.73
Net cost:	-\$82,566.96	\$51,040.04	\$113,772.09	\$37,408.95	\$60,729.20	\$18,934.31

VILLAGE OF WALDEN WATER AND SEWER RATE ANALYSIS

Option 2:

Adopt a quarterly fee of \$10.00 per quarter.

Increase the Sewer rate by \$0.25 in 2015 only. New rate would be \$5.20 for 100 c.f.

The fund balance would be replenished to meet NYS standards and recommendations and overall debt would be reduced.

Sewer Fund – Option 2- \$10 Fee and \$0.25 Rate Increase

Sewer Budget	June 2014-June 2015	June 2015-2016	June 2016-2017	June 2017-2018	June 2018-2019	June 2019-2020
Proposed Increase		\$0.25 Increase	No Increase	No Increase	No Increase	No Increase
Proposed Rate	Rate is \$4.95	Rate would be \$5.20				
Quarterly Fee	\$10.00	\$89,840.00	\$89,840.00	\$89,840.00	\$89,840.00	\$89,840.00
Grand Total Revenue:	\$948,202.04	\$1,067,783.00	\$1,067,783.00	\$1,067,783.00	\$1,067,783.00	\$1,067,783.00

O & M Total Costs:	\$612,075.00	\$615,673.00	\$643,168.95	\$671,999.09	\$702,206.84	\$733,858.73
Debt Total Costs:	\$418,694.00	\$411,269.00	\$321,021.00	\$368,554.00	\$315,026.00	\$325,169.00
Grand Total Costs:	\$1,030,769.00	\$1,026,922.00	\$964,189.95	\$1,040,553.09	\$1,017,232.84	\$1,059,027.73

Net cost:	-\$82,566.96	\$40,861.00	\$103,593.05	\$27,229.91	\$50,550.16	\$8,755.27
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