

PUBLIC WORKS DEPARTMENT

Water, Wastewater, Highway, Cemetery & Parks Divisions
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TOWN OF NORTHBOROUGH

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November 1, 2013

The Town of Northborough Public Works Department recently contracted with Fay, Spofford & Thorndike to conduct a water system Master Plan. This comprehensive evaluation used historical population data and regional studies to project future water system demands. One critical aspect of this analysis included a Water and Sewer Rate Study. The completed rate study, which was subcontracted to Woodcock & Associates, Inc. is available on the Town's Website.

Water and sewer rates must be adequate to finance each fund's operating and maintenance costs, debt service obligations and capital improvements. This rate study was undertaken in order to ensure adequate revenue to support the obligations of both the Water and Sewer Division in the coming years. At a public hearing held in the Town Hall on August 27, 2013, the Water and Sewer Commission took public comment relative to the proposed rate change. Subsequently, the Commission met on September 24, 2013 and voted unanimously to institute a base charge, keep the water rates the same (no increase), and increase the sewer rate by 20%. The base charge and increase in rates are effective with the 2nd Quarter billing cycle (bills due on December 2, 2013). A summary of the charges and rates are as follows:

Water Service Base Charges	
Customer Type	Base Charge (per quarterly bill)
Residential	\$10.00
Commercial	\$30.00
Industrial	\$45.00

Water Rates			
Usage (cf per quarter)	Current Rate (per 1,000 cubic feet)	New Rate (per 1,000 cubic feet)	Change (percent)
0 - 2,000	\$42.76	\$42.76	0%
2,001 - 6,000	\$51.25	\$51.25	0%
over 6,000	\$63.16	\$63.16	0%

Sewer Rates			
Usage (cf per quarter)	Current Rate (per 1,000 cubic feet)	New Rate (per 1,000 cubic feet)	Change (percent)
0 - 2,000	\$52.07	\$62.50	20%
2,001 - 6,000	\$54.01	\$64.90	20%
over 6,000	\$56.44	\$67.80	20%
Flat Sewer	\$150.00 (flat rate)	\$190.00 (flat rate)	27%

FAQ's for the new base charges and water/sewer rates (effective with the November 1, 2013 billing:

- **Why are the rates increasing?**

The water rates have not increased. Only a new quarterly base charge has been added to the water bill. The sewer rates are increasing 20 % in large part because of the obligations necessary to pay for Northborough's share of the recent upgrades to the Marlborough Wastewater Treatment Plant.

- **What is the \$10.00 quarterly base charge for?**

The base fee was adopted to recover a small portion of the Water & Sewer Division's fixed costs. Fixed costs such as debt, meter reading, billing and collection continue regardless of the water usage by the customer.

- **Why are the base charges different for the various types of customers?**

Commercial and Industrial customers, on average, use significantly more water than the average resident. As a result, the water facilities must be large enough to meet those bigger demands. The cost of installing larger pipes and pumps is a fixed cost. These higher charges reflect the larger capacity in the system for those customers.

- **Why did the flat sewer increase from \$150.00 to \$190.00?**

The flat sewer charge of \$190 is billed to the customers without a connection to the municipal water system (no water meter). This flat charge rate is established based on an estimate of approximately 3,000 cubic feet per quarter (250 gallons per day). Applying the new sewer rates to 3,000 cubic feet of use rounds to approximately \$190/quarter, a 27% increase.

Additional questions should be directed to the Public Works Department offices at (508) 393-5030.