



**TOWN OF ACTON**

472 MAIN STREET  
ACTON, MA 01720

(978) 264-9617 TELEPHONE  
(978) 264-9630 FAX

FINANCE DEPARTMENT  
STEPHEN G. BARRETT, CPA, DIRECTOR

7/26/10

3

**TO: Sewer Commissioners**  
**FROM: Stephen Barrett, CPA** (SGB)  
**DATE: July 23, 2010**  
**RE: FY 2011 Sewer Operation + Maintenance Rate Recommendation**

**FY 2011 Sewer Operation + Maintenance Rates**

Staff has developed a recommendation for the Sewer Commissioners to review concerning FY11 Sewer Operation & Maintenance rates. The rates voted will be in place throughout FY11. To that end, the attached analysis details our FY11 projections. Highlights are as follows:

- 1) Our monthly budgeted costs have increased from \$54,700 to \$57,200, a 4.5% increase. The increase is due to variable contractual treatment plant costs such as utilities, chemicals, and other pass through costs.
- 2) The residential rate for FY11 will be \$.0171 cents per gallon, which is a 2.4% rate increase over last year. The average annual residential bill will be \$901 per year, increasing 1.35% over FY 10. This is because "average" residential use has declined slightly as citizens continue to conserve water.
- 3) Our commercial customers will be paying \$.0243 cents per gallon which translates into a rate increase of 2.5% over FY 10.

Our calculations are enclosed for your review/comment and staff is available to answer any questions.

## FY 11 Sewer O&M Rate Analysis

**Terminology:**

GPD = Gallons per Day  
 GPM = Gallons per Month

**Statistical Info:**  
 FY 10 to FY 11 increase per gallon rate = 1/25th of 1 cent

	July '10	Aug '10	Sept '10	Oct '10	Nov '10	Dec '10	Jan '11	Feb '11	Mar '11	Apr '11	May '11	June '11	Annual
Residential GPD	87,480	87,480	87,480	87,480	87,480	87,480	87,480	87,480	87,480	87,480	87,480	87,480	1,049,760
Commercial GPD	36,565	36,565	36,565	36,565	36,565	36,565	36,565	36,565	36,565	36,565	36,565	36,565	438,780
Total GPD	124,045	124,045	124,045	124,045	124,045	124,045	124,045	124,045	124,045	124,045	124,045	124,045	1,488,540
Avg. Days/month	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	30.4	365
Residential GPM	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	2,659,392	31,912,704
Commercial GPM	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	1,111,576	13,338,912
Total GPM	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	3,770,968	45,251,616
Residential Rate FY11	0.0171		% Change	2.4%			Residential Rate FY 10	0.0167			Res FY 09	0.0163	
Commercial Rate FY11	0.0243		% Change	2.5%			Commercial Rate FY 10	0.0237			Comm FY 09	0.0231	
Total Residential Billed	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	45,475.60	545,707.20
Total Commercial Billed	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	27,011.30	324,135.60
Total Billed	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	869,842.80
Monthly Expenses	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	57,200.00	686,400.00
Capital Reserve	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	15,286.90	183,442.80
Total	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	72,486.90	869,842.80

FY11 Average Single Family Residential Bill	
FY11 Residential Rate	0.0171
Avg SFR flow/month	4,391.6
Avg SFR monthly bill	75.10
Avg SFR annual bill	901.20
Average Single Family monthly increase = \$ .99	1.35%

**TOTAL CAPITAL RESERVE ANTICIPATED FOR FY 11 183,442.80**