

IPSWICH WATER & WASTEWATER DEPARTMENT

Water Rate Increase

Residential Seasonal Rate Adjustments

Analog Meter Rate

Wastewater Rate Increase

Septage Rate Increase

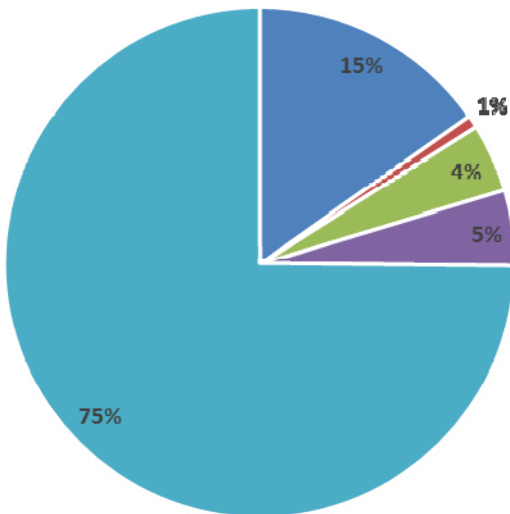
February 3rd & March 2nd
2020

WATER RATE INCREASE

- PROPOSED RATE INCREASE 13% (NO CARE FUND CHARGE AT THIS TIME)
- RATE OF \$9.96 INCREASES TO \$11.25 PER 100FT³ OF WATER
 - EFFECTIVE MAY 1, 2020
- TYPICAL HOUSEHOLD OF 4 WILL PAY \$12.24 MORE PER MONTH
- FY21 BUDGET INCREASE 11%
- CAPITAL SPENDING \$1.6M FY21-FY25
 - VEHICLES
 - WATER SYSTEM IMPROVEMENTS
 - SOLAR MIXER
 - ASSET MANAGEMENT PLAN
- DEBT SERVICE INCREASE
 - WATER MAIN REPLACEMENTS (HIGH, MARKET, FELLOWS, ARGILLA)
 - WATER SUPPLY EXPANSION/UPGRADES (WELL, RESERVOIRS, TANKS, PLANT)
- SUPPORT BUDGET AND STABILIZE SURPLUS INTO FUTURE

WATER ASSET REPLACEMENT

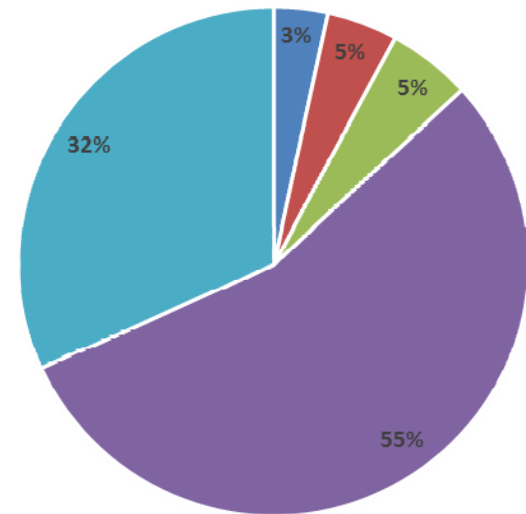
FY21
TOTAL BORROWING
\$12.8M



REACTIVE
SPENDING
2007 - PRESENT

- Dams & Reservoirs
- Well & Booster Stations
- Storage Tanks
- Treatment Plant
- Distribution System

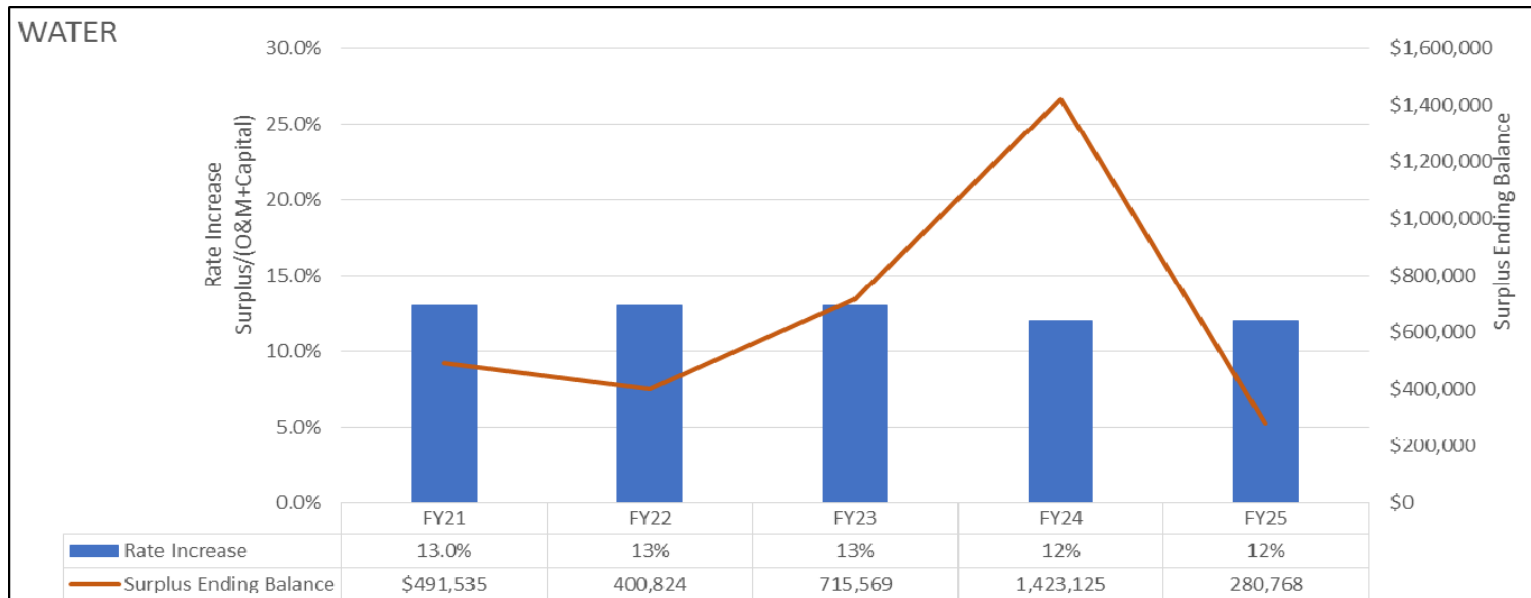
FY25
TOTAL BORROWING
\$55.7M



PROACTIVE
SPENDING
FY21 – FY25

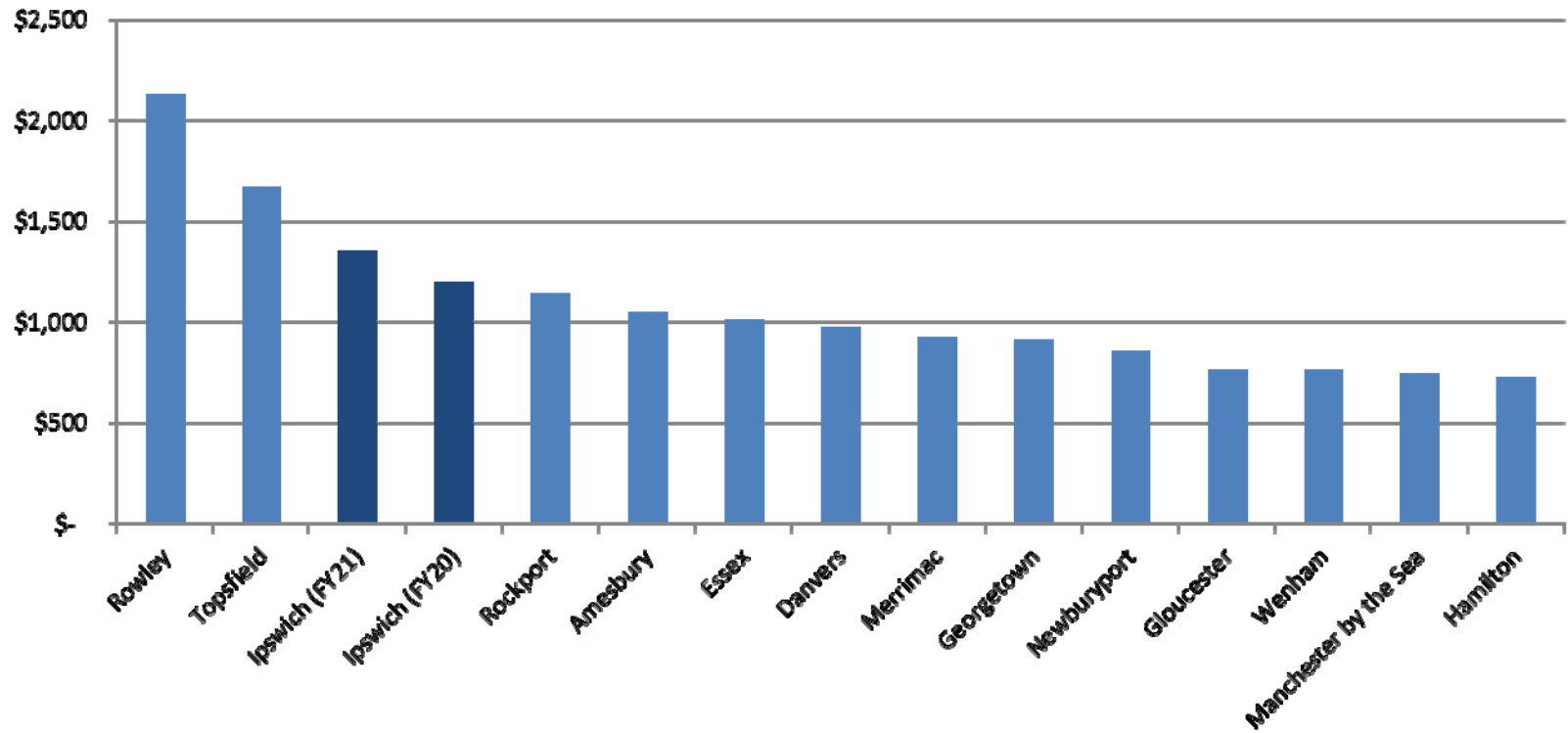
FUTURE RATE INCREASES

Projections	FY21	FY22	FY23	FY24	FY25
O&M+Capital	\$3,528,867	\$3,520,033	\$3,513,934	\$3,510,652	\$3,670,271
Long Term Debt	\$830,074	\$1,255,776	\$1,452,481	\$1,684,691	\$4,071,332
Total Budget	\$4,358,941	\$4,775,809	\$4,966,415	\$5,195,343	\$7,741,604
Rate Increase	13%	13%	13%	12%	12%
Last Year Projections	15%	15%	10%	2%	2%
Surplus Use	\$201,333	\$90,711	-\$314,745	-\$707,556	\$1,142,357
Surplus Ending Balance	\$491,535	400,824	715,569	1,423,125	280,768



***Assumes \$45M debt service borrowed FY21-FY25**

WATER RATE COMPARISON

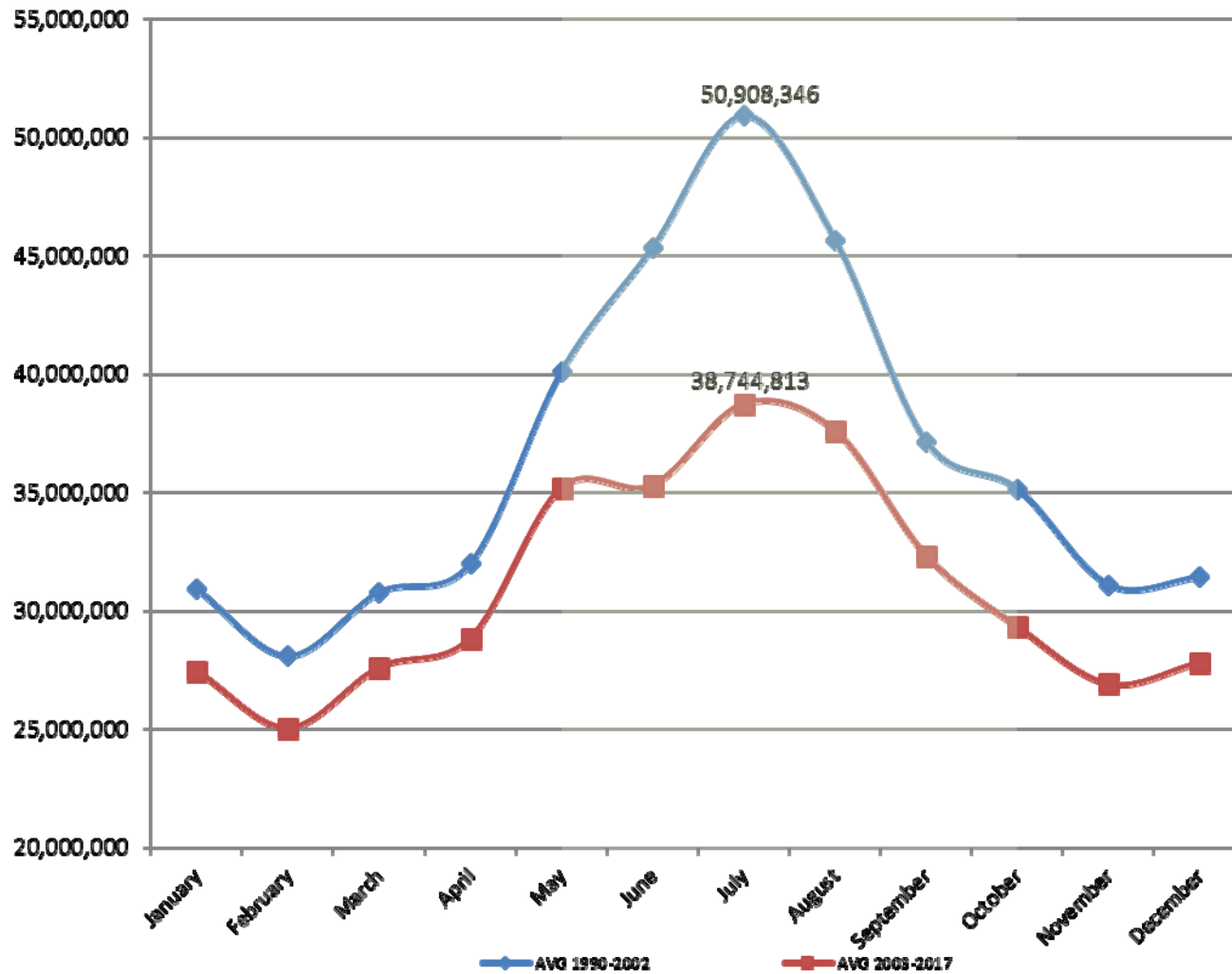


Based on 12,000 cubic feet annual usage

WATER RESIDENTIAL SEASONAL RATE ADJUSTMENT

- **PROGRAM GOAL:** MANAGE SUMMER WATER CONSUMPTION - REDUCE SUMMER PEAK CREATED BY RESIDENTIAL CUSTOMERS
- 2016 DROUGHT HIGHLIGHTED IMPORTANCE OF SEASONAL DEMAND MANAGEMENT
- RESIDENTIAL SUMMER RATE = 1.5 X BASE RATE; MAY – SEPTEMBER
- ADJUST WATER RESIDENTIAL WINTER RATE OF \$5.85 PER 100 FT³ TO A RESIDENTIAL SUMMER RATE OF \$16.88 PER 100 FT³
- RESIDENTIAL SUMMER RATE EFFECTIVE MAY 1, 2020 THROUGH SEPTEMBER 30, 2020

PROGRAM SUCCESS



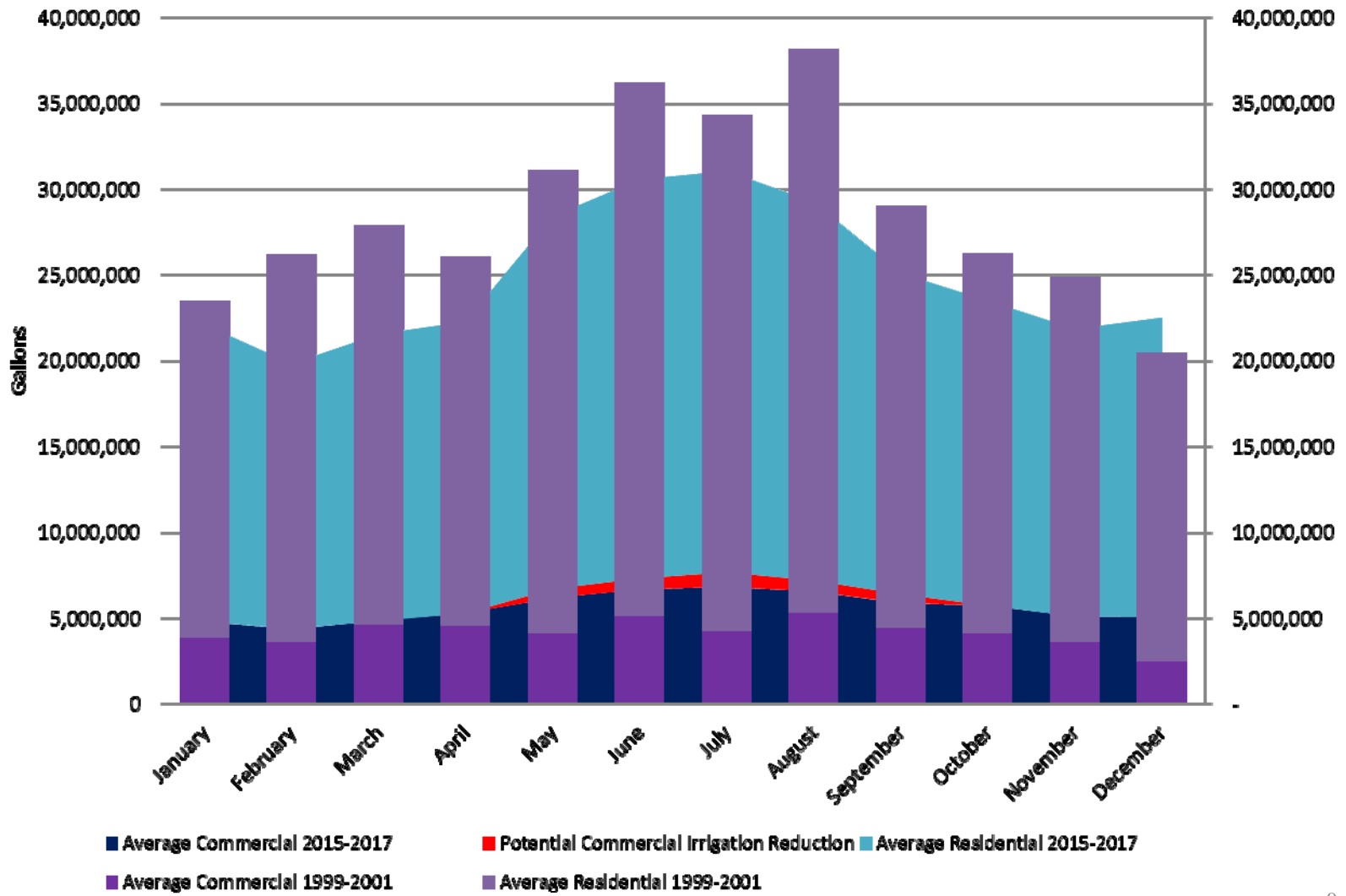
Average Annual Pumping Reduction with Seasonal Rate is 15%
Average Peak Month Reduction with Seasonal Rate 24%

COMMERCIAL CUSTOMERS

from September 2017 analysis

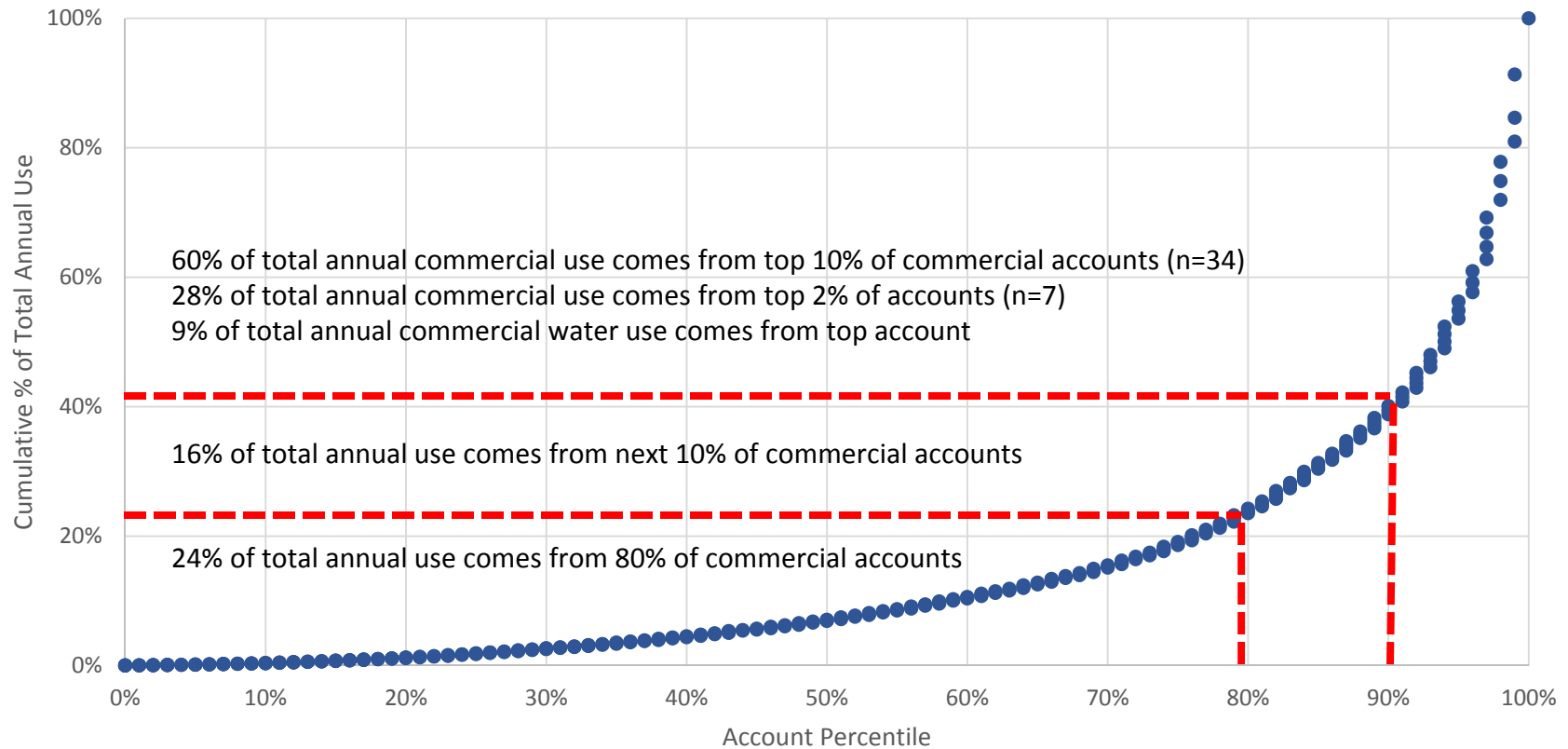
- Compare Avg Use 1999-2001 with 2014-2016
 - 50 more customers
 - 18 MG more water use
- 5% of customers have non business related summer increase (irrigation)
 - ~0.13MG/summer month
- 5% of customers have business based seasonal use that is new or increased from 99-01 (non-irrigation)
 - ~0.15MG/summer month
- Impact small for added burden to commercial customers
 - Potential summer reduction of 0.64MG (1% of Residential summer reduction)
 - Residential program reduced summer use 60MG
 - Seasonal businesses won't have opportunity for winter rate relief

COMMERCIAL & RESIDENTIAL HISTORY



WATER USE ANALYSIS BY MASS DER

Cumulative Percent of Commercial Accounts Total Annual Usage 2017-2018 by Account Percentile



ANALOG METER CHARGE

TOWN OF IPSWICH UTILITIES DEPARTMENT



272 HIGH STREET • IPSWICH, MA 01938 • (978) 356-6635 • WWW.IPSWICHUTILITIES.ORG

Water & Wastewater Department Analog Meter Policy

- SELECT BOARD ADOPTED ANALOG METER POLICY NOVEMBER 18, 2019
- INCLUDES CHARGES TO ACCOMMODATE ON-SITE ANALOG METER READING AND ADMINISTRATIVE EFFORTS.
- AMEND APPENDIX VI-FEE SCHEDULE OF WATER RULES AND REGULATIONS TO INCLUDE:
- ANALOG METER CHARGES:
 - ONE-TIME INITIAL CHARGE=\$105
 - RECURRING MONTHLY CHARGE=\$45

This policy applies to water and wastewater customers who wish to be excluded from the Town's Advanced Metering Infrastructure (AMI) or "smart" meter system.

The AMI system allows Ipswich customers to benefit from greater meter reading efficiencies, demand management opportunities, leak alerts and more.

Customers who prefer to have an analog meter installed will require manual monthly meter reads to be taken by a technician. The analog meter reads also require additional administrative steps to generate monthly water and/or wastewater bills.

To request an analog meter, customers must sign an Analog Meter Certification form. This confirms the customer's agreement to the applicable analog meter charges. Customers also agree to have their monthly water usage estimated as necessary, not to exceed twice each quarter.

Charges are required to accommodate on-site analog meter reading and administrative efforts. Charges are as follows:

One-time Initial Charge = \$105

Recurring Monthly Charge = \$45

Charges are based on actual employee pay rates and department overhead costs. Initial and monthly charges will be evaluated and adjusted annually to reflect changes in actual labor and equipment costs.

Analog meter charges are assessed in addition to monthly consumption based charges.

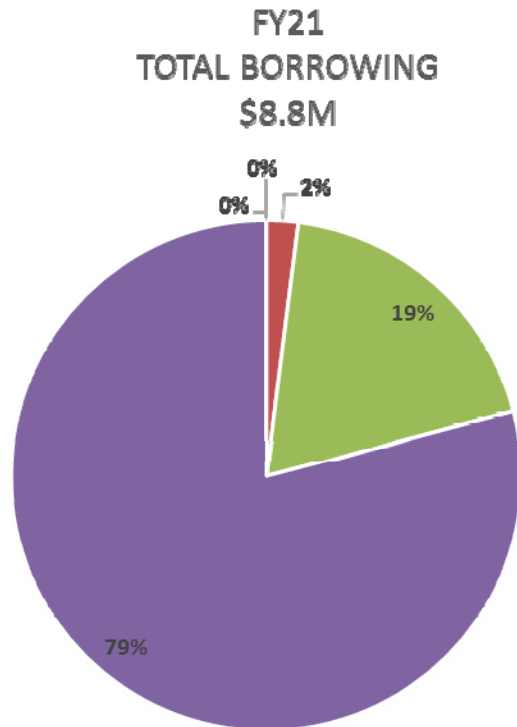
This policy applies only to the customer who signed the Analog Meter Certification form. Once a customer leaves the service address attached to the certification, the property will be connected to the AMI system.

Adopted by Select Board November 18, 2019

WASTEWATER RATE INCREASE

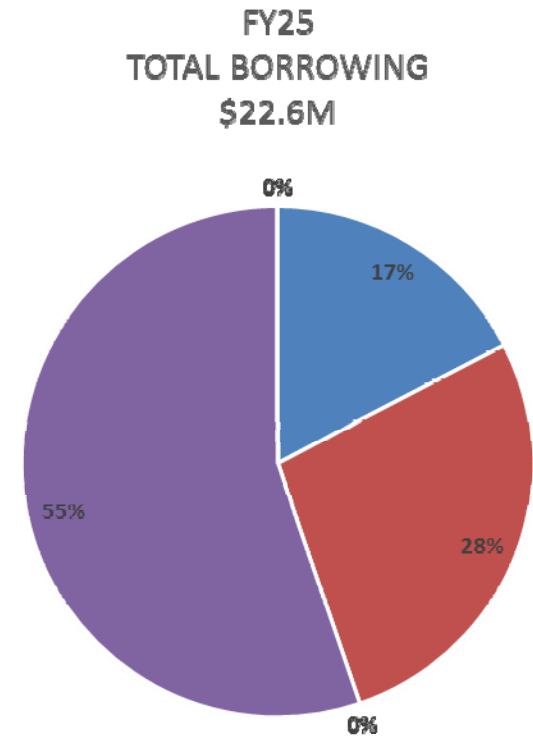
- PROPOSED RATE INCREASE 12% (NO CARE FUND CHARGE AT THIS TIME)
- RATE OF \$9.69 INCREASES TO \$10.85 PER 100 FT³ WATER
 - EFFECTIVE MAY 1, 2020
- TYPICAL HOUSEHOLD OF 4 WILL PAY \$9 MORE PER MONTH
- FY21 BUDGET INCREASE 7.8%
- CAPITAL SPENDING \$2M FY21-FY25
 - TOWN WHARF PUMP STATION (TWPS) REHAB/REPLACEMENT
 - NPDES PERMIT COMPLIANCE (I & I)
 - AERATION SYSTEM REPLACEMENT
 - ASSET MANAGEMENT PLAN
- DEBT SERVICE INCREASE
 - IPSWICH RIVER INTERCEPTOR & SIPHON
 - TOWN WHARF PUMP STATION
 - COLLECTION SYSTEM (I/I)
 - AERATION SYSTEM
- SUPPORT BUDGET AND STABILIZE SURPLUS INTO FUTURE

WASTEWATER ASSET REPLACEMENT



REACTIVE
SPENDING
2007 - PRESENT

- Collection System
- Pumping Stations
- Force Mains
- Treatment Plant
- Effluent Outfall

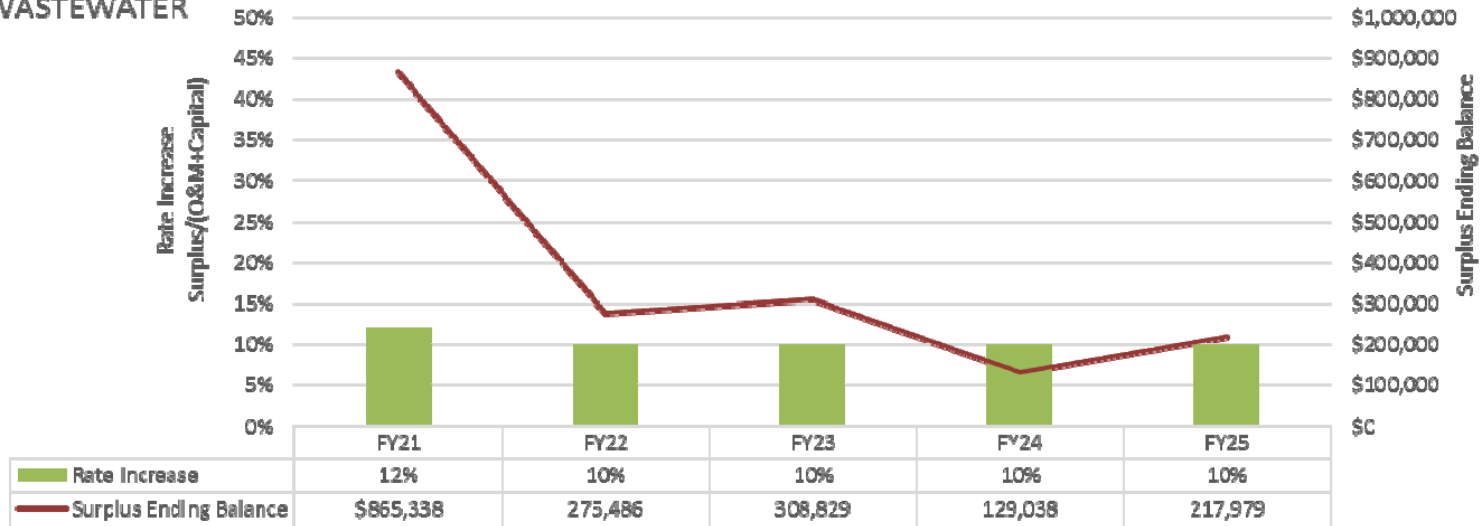


PROACTIVE
SPENDING
FY21 – FY25

FUTURE RATE INCREASES

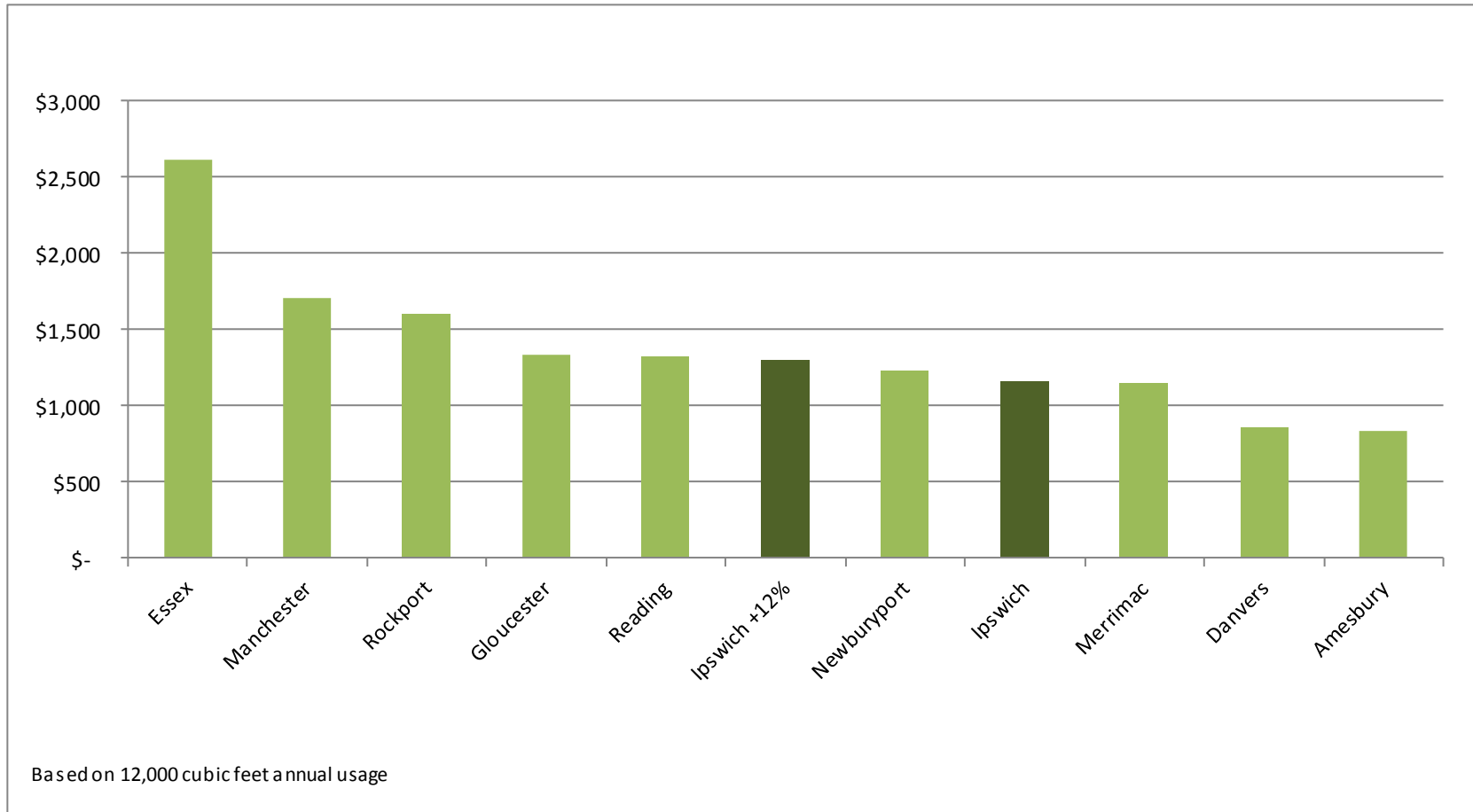
Projections	FY21	FY22	FY23	FY24	FY25
O&M+Capital	\$2,394,829	\$2,473,674	\$2,204,134	\$2,211,258	\$2,220,096
Long Term Debt	\$546,901	\$1,184,164	\$1,085,708	\$1,572,435	\$1,603,657
Total Budget	\$2,941,730	\$3,657,838	\$3,289,842	\$3,783,693	\$3,823,753
Rate Increase	12%	10%	10%	10%	10%
Last Year Projections	6%	6%	6%	6%	0%
Surplus Use	\$105,743	\$589,852	-\$33,343	\$179,790	-\$88,940
Surplus Ending Balance	\$865,338	275,486	308,829	129,038	217,979

WASTEWATER



*Assumes \$16M debt service borrowed FY21-FY25

WASTEWATER RATE COMPARISON



SEPTAGE RATE INCREASE

	In Town Septage	Out of Town Septage
Current	.063 per gallon	.070 per gallon
Proposed	.070 per gallon	.085 per gallon
	3-year low 1.6 MG @ \$0.07/Gal \$112,000	3-year low 4.4 MG @ \$0.085/Gal \$374,000
	Total Proposed Revenue = \$486,000 (14% Increase over FY20 budgeted revenue)	

- SEPTAGE RATES LAST INCREASED BY 5% IN 2014
- PROPOSED INCREASE = 14% OF TOTAL REVENUE
 - IN-TOWN 11%
 - OUT OF TOWN 21.4%