TO: Board of Selectmen

FROM: Justin Sultzbach, Town Manager

DATE: April 11th, 2022

RE: Water Sewer Budget Two Options

Board Members,

After receiving input from the Board at your March 28th meeting, I worked with my team to provide a budget scenario that would lessen the immediate impact on rate payers. Updated report attached. To rehash, the only option provided at the last meeting that did not project in a deficit can be found below:

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**ORIGINAL BALANCED OPTION**

Running the **Raftelis** Recommendation with a **flat rate** with usage estimates, projecting a surplus for water of **$80,000** and a surplus for sewer of **$6,000**. This plan calls for an 18% increase in Water and a 10% increase in Sewer for FY23, with 3% increases projected every year thereafter (barring any unforeseen circumstances). This would result in a roughly 13% increase to the total bill in FY23.

**FY Water Sewer Blended Bill Increase**

**23** 18% 10% ~13%

**24** 3% 3% ~3%

**25** 3% 3% ~3%

**NEW SUPPLEMENTED OPTION**

Our team worked with Raftelis to find a way to step in these increase over two years, lessening the immediate impact to rate payers. This would be a flat rate as well, and would call for a 10% increase in Water and 10% increase in Sewer for FY23 – running a projected **$70,000** deficit in water and **$6,000** surplus in sewer. FY24 would see an 8.5% increase in water and 3% increase in sewer, with 3% increase projected every year thereafter (barring any unforeseen circumstances).

This scenario would require a $70,000 supplement from Free Cash (or ARPA) to cover the projected deficit in FY23. This would require a Town Meeting vote.

**FY Water Sewer Blended Bill Increase**

**23** 10% 10% ~10%

**24** 8.5% 3% ~5.75%

**25** 3% 3% ~3%

Recommended Motion: Motion to update Water/Sewer rates as presented based on the {pick one}

(Original Balanced Option) (New Supplemented Option)