



## VILLAGE/TOWN OF MOUNT KISCO

WESTCHESTER COUNTY, NEW YORK

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**VILLAGE TREASURER**

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### **NOTICE OF PROPOSED SEWER RENT RATE INCREASE**

When the FY 2006/2007 budget was proposed in March 2006, the budget message advised that sewer rents would have to increase in order to generate sufficient revenues to provide for the current level of sewer services.

In addition, the Village is planning for necessary sewer capital improvements at the Saw Mill Sewer Pump Station and to reduce “inflow and infiltration” of storm water and other leaks into the sanitary sewer system, which will cost up to \$3 million. Generally, each \$1 million in serial bonds issued equates to about \$75,000 additional revenues needed for annual debt service costs on such bonds, and will increase sewer rates by 10%. Annual debt service requirements needed to pay for a \$3 million serial bond will increase sewer rents by 45%.

However, because the sewer rents are a small component of the combined water and sewer bill, such a large sewer rate increase will be softened by the larger water rent component that will stay flat (no rate increase needed for the Water Fund at this time). For instance, a 15% sewer rate increase will translate to an overall water/sewer bill increase of less than 2%, and a 23% sewer rate increase will translate to an overall increase of less than 3%. At the high end, a 45% sewer rate increase for the full \$3 million serial bond will translate to an overall increase of less than 6%. The following chart will show the various sewer rent rate scenarios, plus the net effect on the combined water/sewer bill for typical homeowner usage levels.

**This proposed sewer rate increase was discussed at the August 14, 2006 Board of Trustees meeting (currently being broadcast on our cable channel 20), and will be discussed again, and voted on, at the next Board of Trustees meeting scheduled for Monday, September 11, 2006 at 7:30 PM at Village Hall. Public comment is welcome.**

## Proposed Sewer Rate Increase - September 2006

Current Rate Schedule	Scenarios			
	+15% Sewer Rate Increase	+23% Sewer Rate Increase	+35% Sewer Rate Increase	+45% Sewer Rate Increase
	for 06/07 budget	plus debt service for \$1 million bond	plus debt service for \$2 million bond	plus debt service for \$3 million bond

### Sewer rates for sewer service charges:

#### Semiannual consumption (CF):

##### Residential

All consumptions \$ 10.96 \$ 12.60 \$ 13.48 \$ 14.80 \$ 15.89

##### Non-Residential (commercial)

Up to 7,000 CF \$ 10.96 \$ 12.60 \$ 13.48 \$ 14.80 \$ 15.89

7,001 to 10,000 CF \$ 11.82 \$ 13.59 \$ 14.54 \$ 15.96 \$ 17.14

10,001 to 15,000 CF \$ 12.50 \$ 14.38 \$ 15.38 \$ 16.88 \$ 18.13

Over 15,000 CF \$ 14.10 \$ 16.22 \$ 17.34 \$ 19.04 \$ 20.45

### Example of effect on Water/Sewer Bill:

#### Example: 3,500 CF consumption

Water \$ 244.41 \$ 244.41 \$ 244.41 \$ 244.41 \$ 244.41

Sewer \$ 38.36 \$ 44.10 \$ 47.18 \$ 51.80 \$ 55.62

Meter Charge \$ 15.00 \$ 15.00 \$ 15.00 \$ 15.00 \$ 15.00

Total Water/Sewer Bill \$ 297.77 \$ 303.51 \$ 306.59 \$ 311.21 \$ 315.03

**Percent increase overall** 1.93% 2.96% 4.51% 5.80%

#### Example: 5,000 CF consumption

Water \$ 356.13 \$ 356.13 \$ 356.13 \$ 356.13 \$ 356.13

Sewer \$ 54.80 \$ 63.00 \$ 67.40 \$ 74.00 \$ 79.45

Meter Charge \$ 15.00 \$ 15.00 \$ 15.00 \$ 15.00 \$ 15.00

Total Water/Sewer Bill \$ 425.93 \$ 434.13 \$ 438.53 \$ 445.13 \$ 450.58

**Percent increase overall** 1.93% 2.96% 4.51% 5.79%

#### Example: 8,000 CF consumption

Water \$ 593.57 \$ 593.57 \$ 593.57 \$ 593.57 \$ 593.57

Sewer \$ 87.68 \$ 100.80 \$ 107.84 \$ 118.40 \$ 127.12

Meter Charge \$ 15.00 \$ 15.00 \$ 15.00 \$ 15.00 \$ 15.00

Total Water/Sewer Bill \$ 696.25 \$ 709.37 \$ 716.41 \$ 726.97 \$ 735.69

**Percent increase overall** 1.88% 2.90% 4.41% 5.66%