



# **Warwick Sewer Authority**

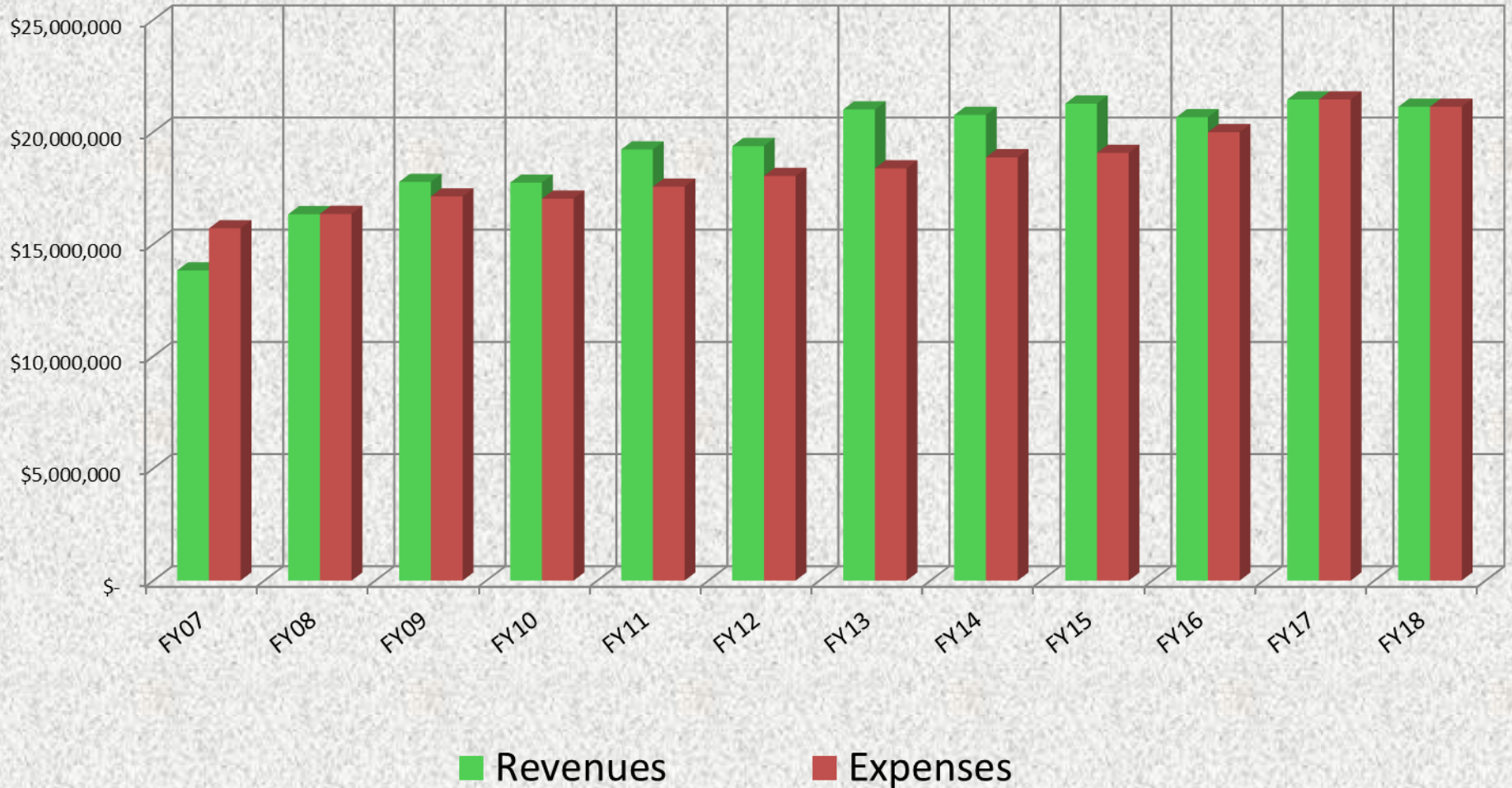
**Proposed Enterprise Fund Budget  
*Fiscal Year July 1, 2017 to June 30, 2018***

**PUBLIC HEARING -- May 18, 2017**

# Instructions for Public Comment

- Copies of proposed budget available for review
- Everyone must sign in/note if you plan to speak
- Persons who will be speaking will be taken in the following order:
  - Elected Officials
  - Order of sign in
- Persons will have 5 minutes to state their comments
- If you prefer to make your comments in writing, we have provided response cards
- Comments will be accepted through COB May 23<sup>rd</sup>

# Warwick Sewer Authority Budget Trends



# FY18 Budget Priorities

- Continuing investment in preventative maintenance and prioritized renewal/replacement of ageing infrastructure
- Improving efficiency and cost-effectiveness of new phosphorus removal system operation and maintenance
- Continue implementing the 5-year usage rate plan with focus on stable, predictable rates
- Supplement funds with grants

# FY18 Budget Highlights

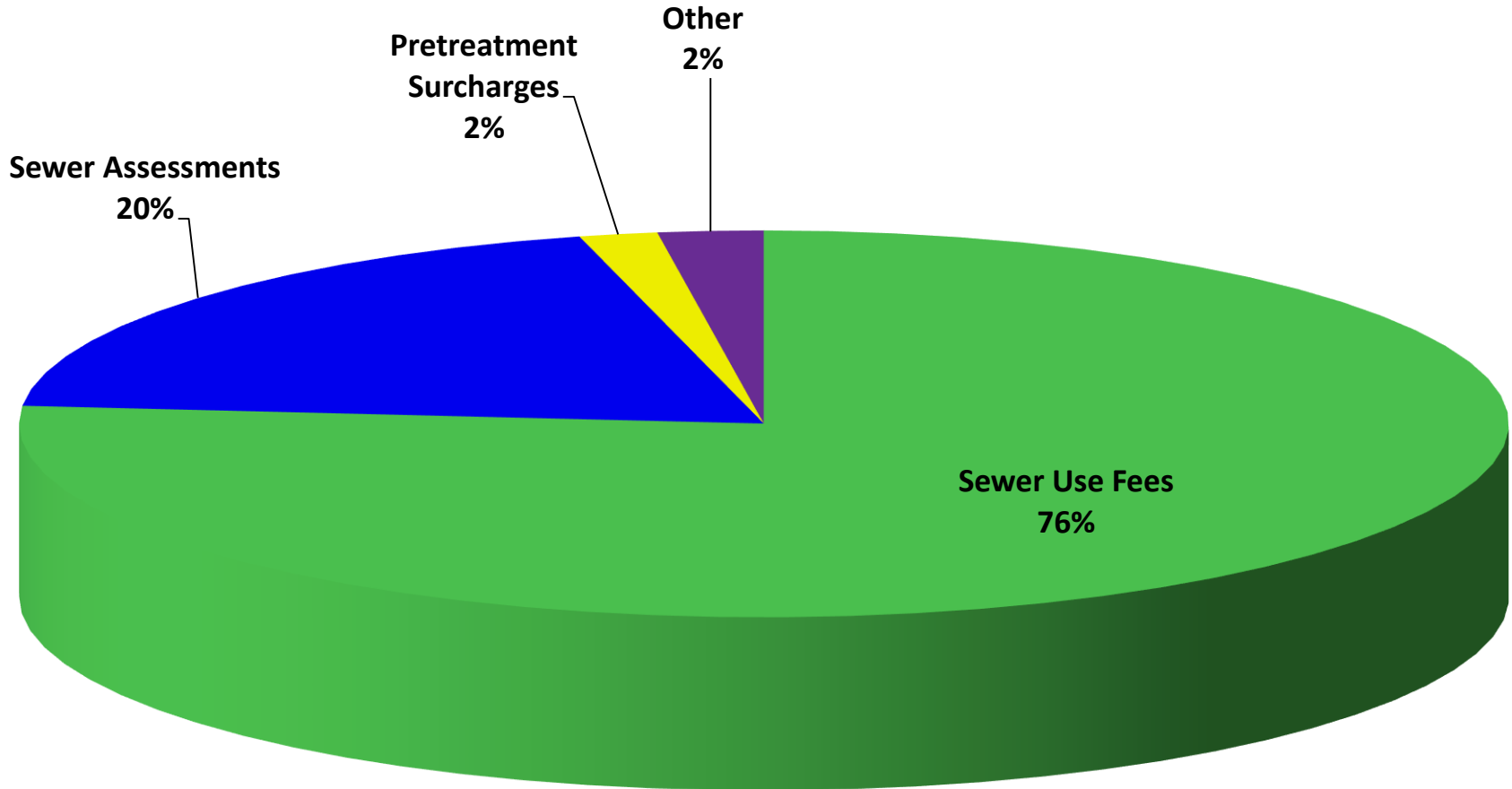
## EXPENSES

- Contractual salary increases of 3%
- Increasing costs for commodities and services (i.e., electricity, chemicals, sludge removal)
- Decrease in debt service and budgeted capital infrastructure expenses

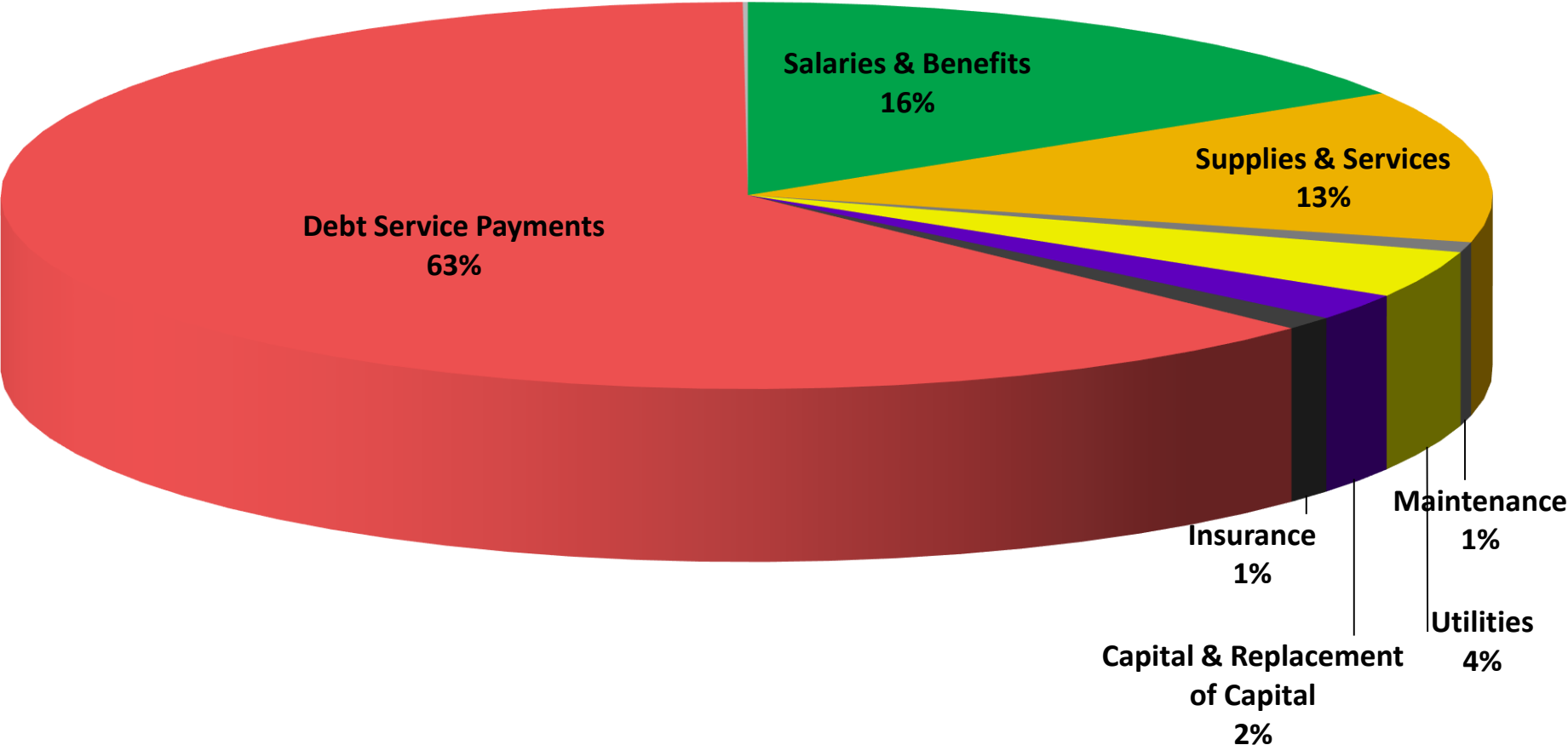
## REVENUES

- Increase in R&R charges -- revenues to dedicated account for infrastructure improvement projects

# Warwick Sewer Authority Revenues FY18 Budget (\$21,122,414)



# Warwick Sewer Authority Expenses FY18 Budget (\$21,122,414)





# Summary of FY18 WSA Budget Proposal

## – Operations & Maintenance

\$7,469,311  7.9%

*(Similar to FY17 expense increases due to continuing increases in commodities and services plus scheduled pay increases)*

## – Debt Service & Infrastructure Improvements

\$13,653,103  6.0%

**TOTAL BUDGET: \$21,122,414**

 1.5% versus FY17)

***INCREASE IN R&R REVENUES TO GO TO CAPITAL PROJECT FUND***



# **New 5-Year Usage Rate Plan**

## ***Approved in 2016***

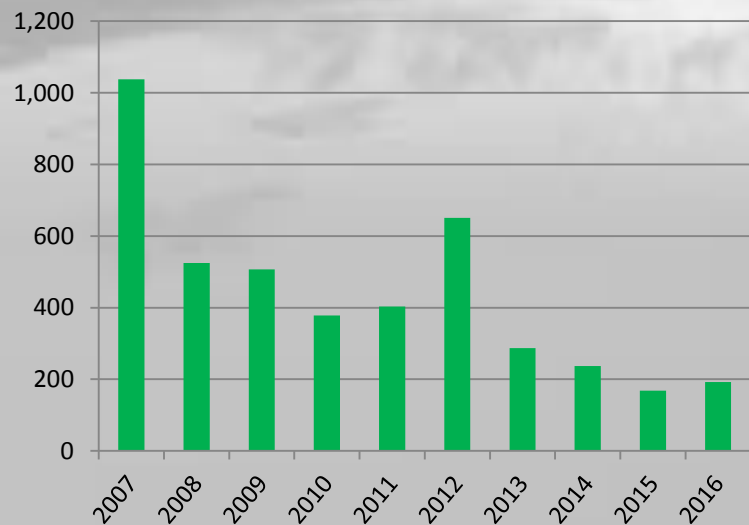
- FY17: No changes
- **FY18: Increase in Renewal & Replacement charge to \$3.50 per 1,000 cubic feet of water used**
  - overall 6% increase in usage-based charges
  - expected to increase R&R revenues by 450%
- FY19: No changes
- FY20: R&R charge to \$6.00 per 1,000 cubic feet of water used
- FY21: No changes

# Major Drivers in Recent Rate Increases

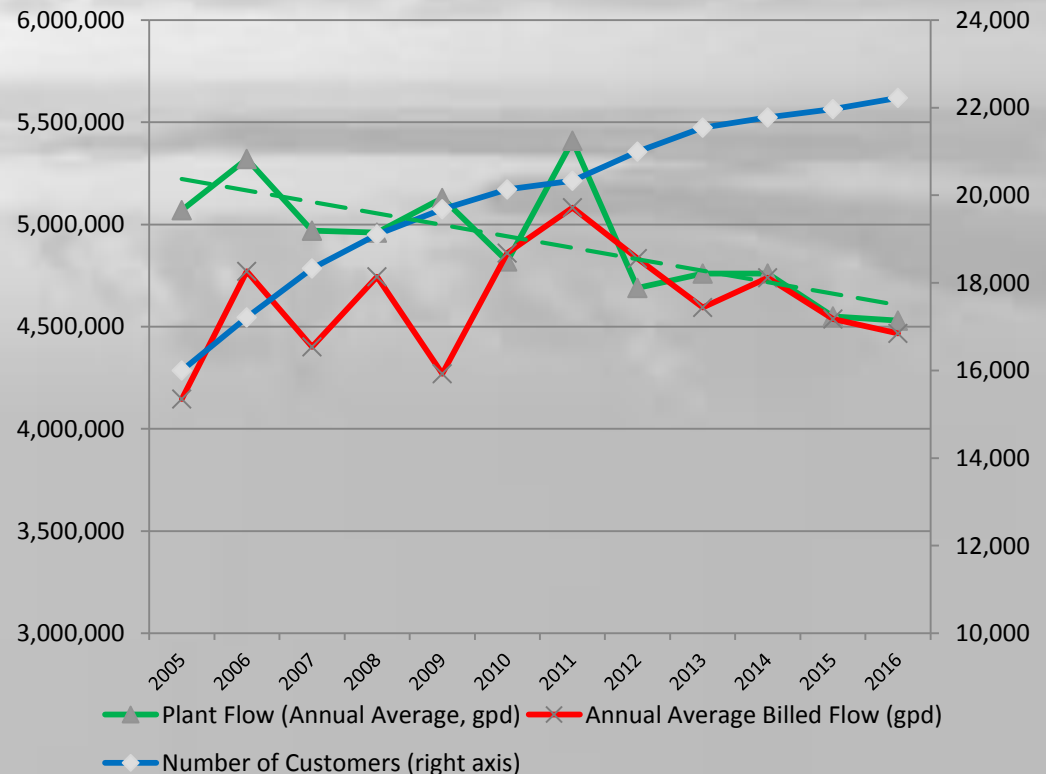
- Rising costs
- Aging infrastructure
- Increasingly stringent regulatory requirements

- Low Connection Numbers
- Continued Decreases in Water Consumption

## Sewer Connection Permits

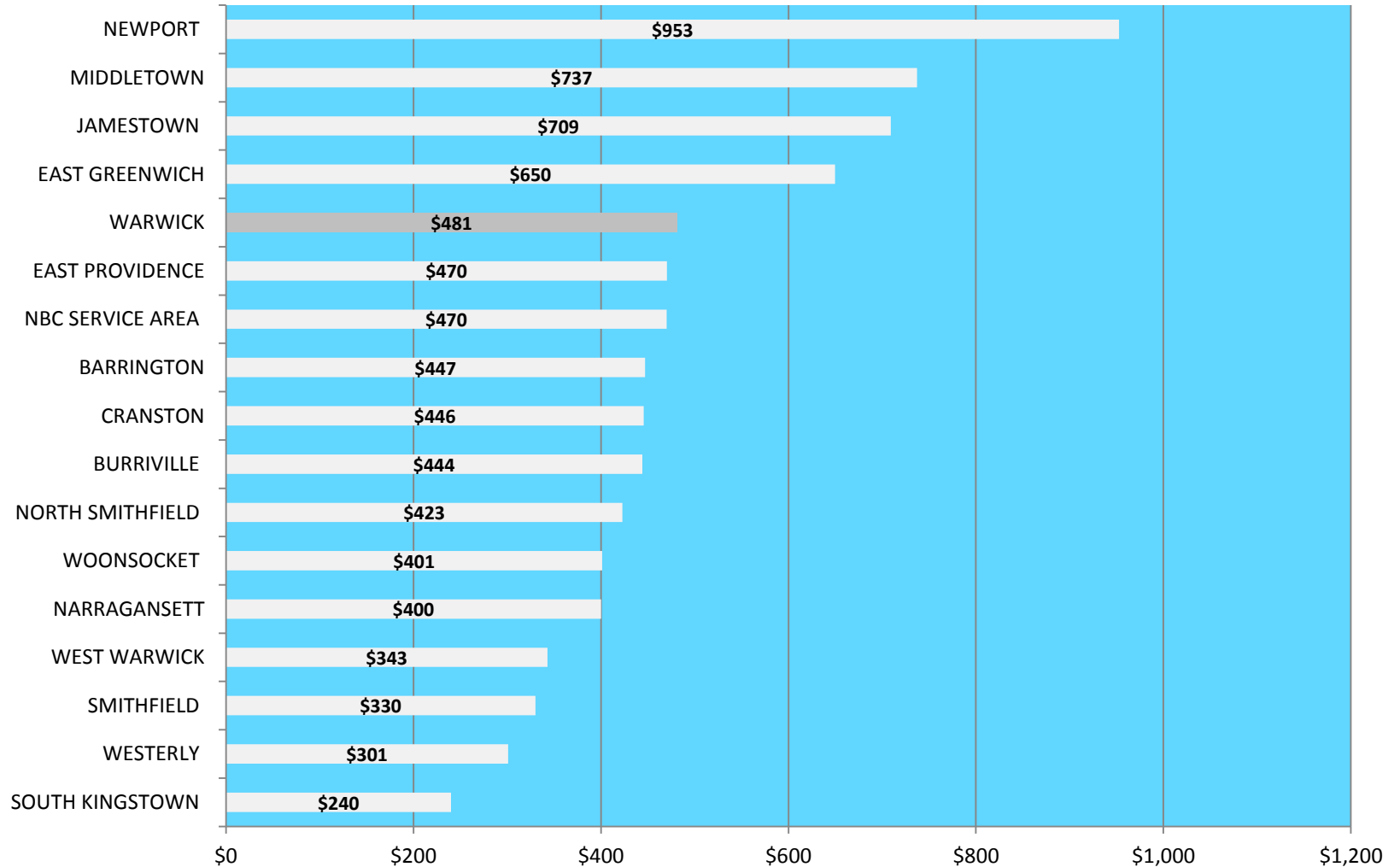


## Trends in Plant Flows and Billing



# 2015 Annual Residential Sewer Charges for Rhode Island Communities

Source: Narragansett Bay Commission (NBC)  
*based on 150 gallons per day average usage*



# FY18 User Bill Impacts

- Typical Residential User's quarterly bill (usage based on 1,500 cubic feet + service charges) will go up \$4.31 or about \$17 per year
- Similar Increases in Commercial User's bills, depending on usage



**PUBLIC COMMENTS  
WELCOMED**