

Village of Coxsackie

Water & Sewer Rates

December 2015

Village of Coxsackie

The Financial Problem

- **Revenues**: The revenues produced by the water & sewer user fees have fallen far behind the expense of producing and distributing water and collecting the waste.
- **Environmental Facilities Corporation (EFC)** : The Water Plant 30 year EFC, 0% Interest Loan Payment is due each year in October - \$173,000/year (second payment 2015)
- **NYS General Municipal Law**: the General Fund can loan the Water Fund monies, but, any monies loaned are supposed to be paid back. Technically, the General Fund cannot loan money to the Sewer Fund.
- **Money Owed**: the Village General Fund for more than 15 years has loaned the Village Water & Sewer Fund money to operate. The Water & Sewer Funds currently owe the General Fund over \$700,000.

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The Financial Problem (continued)

- Village Taxpayer: has been unfairly burdened with keeping the user fee based Water & Sewer Funds afloat with General Fund taxpayer dollars. The Water & Sewer Funds should not be a financial drain on the Village taxpayer.
- Water & Sewer Funds: must generate sufficient revenue to cover all expenses. The General Fund should only be tapped in case of emergency and then only on a temporary basis.
- Only two water rate increases in the last 20 years, they were in 2008 and in 2013. The last documented sewer rate increase was 1979.

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Office of the State Comptroller – Financial Condition and Water and Sewer Fund Accountability June 1, 2012-May 31,2014

Page 10 - ...”water and sewer user rates do not generate sufficient revenues to pay the totals cost of operating and maintaining the facilities.....It is essential that Village officials adopt structurally balanced budgets for the water and sewer operations, so that recurring revenues finance recurring expenditures and a reasonable fund balance is maintained.”

Page 12 – “While the Board increased water rates in 2013 (also in 2008), sewer rates have remained unchanged” (last documented sewer rate increase was 1979.

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Water & Sewer Fund

Expenses > Revenues

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Problem Identified - What have we done?

- Comprehensive analysis of all costs with Water & Sewer
- Determined that we needed expert help
- Brought in Delaware Engineering to assist in new model development. They have developed models for almost a dozen other Villages, Towns and Cities.
- Have assessed models of flat rate vs metered, commercial vs residential, mixture.
- Tightening law on people who do not pay or pay timely, \$100K/year goes to the county tax bill
- Data Collection and analysis issues

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Needed & Unfunded Projects / Cost Estimate

- Gate House Intake at Climax reservoir – regulates water flow to plant, built in 1935, 1 of 3 gates work: \$500,000
- Spillway at lower reservoir is deteriorated and needs complete overhaul: \$500,000
- Pipe connecting the two reservoirs: \$2 million
- Water Tank – 2 million gallons: \$2 million
- Water Line replacement: \$1 million / mile

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Taxes

Climax Reservoir

School Tax	\$37,199.05
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Medway Reservoir

School Tax	\$88,369.51
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Town of

New Baltimore Tax	<u>\$16,200.86</u>
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	\$141,769.42
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The Solution

- 1) **Maximize revenues from water & sewer users – correct existing meter problems, speed up the installation of radio read meters, repair leaks, etc.**
- 2) **Ensure that all water & sewer users are paying for the services.**
- 3) **NYS Corrections currently uses about 40% of our daily water plant production and 60% of the sewer plant inflow, insure that they continue to pay their fair share.**
- 4) **Establish water & sewer rates that produce revenues greater than the expenses, the goal is to have the water & wastewater funds have a positive cash fund balance at anytime.**
- 5) **Have sufficient revenue to the Water & Sewer Funds so that the General Fund does not have to loan money to it.**

Surrounding Communities

Current Water & Sewer Rate Comparison

Community	MHI (2013)	Annual Residential Water Rate	Annual Residential Sewer Rate
• Ashland (T)	\$42,563	\$622	\$-----
• Athens (T)	\$55,867	\$689	\$499
• Athens (V)	\$50,962	\$427	\$525
• Cairo (T)	\$49,107	\$251	\$612
• Catskill (T)	\$48,129	\$565	\$830
• Catskill (V)	\$36,237	\$281	\$391
• Coxsackie (T)	\$53,435	\$803	\$608
• Coxsackie (V)	\$54,323	\$546	\$405
• Greenville (T)	\$51,538	\$225	\$546
• Hunter (V)	\$36,466	\$420	\$100*
• Tannersville (V)	\$41,591	\$547	\$100*
• New Baltimore (T)	\$67,927	\$803	\$608
• Windham (T)/Hensonville (T)	\$55,685	\$443	\$100*
• Saugerties Glasco Water District (V)	\$50,208	\$456	\$481
• Saugerties Malden Water District (T)	\$50,208	\$420	\$532
• Ravena	\$56,466	\$225	\$500
• Fleischmanns (V)	\$32,000	\$345	\$100*
• subsidized by NYC			
	Average	\$509	\$559 = \$1,068
	Village of Coxsackie Average	\$251	\$160 = \$411

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NYS Corrections

Water – on average uses 40% of production
(Greene Correctional only)

Sewer – on average uses 60% of collection
(Greene & Coxsackie Correctional)

Future

- After further analysis establish new rates
- Continue to obtain water meter readings to monitor useage and develop data
- Start a 10 year wireless water meter install/replacement cycle. (purchase & install 1/10 every year)
- As data and finances allow, work to establish a Tiered Rate system

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Water Rate

	<u>Present</u>	<u>Proposed 1/1/16</u>
Village of Coxsackie	\$62.75	\$77.75
Town of Coxsackie	\$120.00	\$120.00 (1.5X)
Town of New Baltimore	\$99.18	\$120.00 (1.5X)
NYS Corrections	5.65/1K gallon	\$5.95/ 1K/gallon

Increase \$15.00/per quarter in 2016

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	<u>Sewer Rate</u>	
	<u>Present</u>	<u>Proposed 1/1/16</u>
Village of Coxsackie	\$40.00	\$45.00
Town of Coxsackie	\$53.00	\$59.63 (1.325X)
Town of New Baltimore	\$53.00	\$59.63 (1.325X)
NYS Corrections	\$2.30/ 1K gallon	\$5.25/ 1K/gallon

Increase \$10.00 / per quarter in 2016

Questions