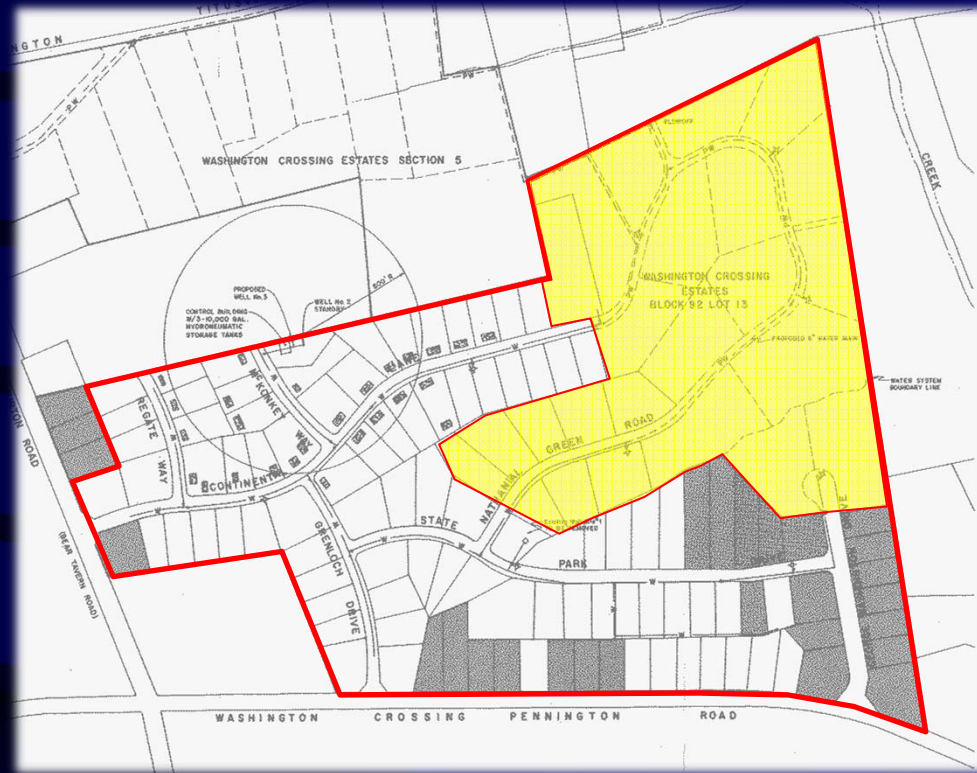


NEIGHBORHOOD MEETING
Water Utility Rate Increase

Washington Crossing Park Estates

September 6, 2012

- Washington Crossing Park Estates Water Utility provides water service to 105 homes within the area originally designated as Washington Crossing Park Estates



- All system costs (operation, maintenance, capital repair) are paid by the users of the system.

- The initial system was owned and operated by the original developer. The original developer defaulted leaving the township to assume ownership.
- The initial system was constructed of 6 inch diameter cast iron pipes laid atop shale which has caused many leaks over the years.
- The newest portion of the system (1988) was constructed of 8 inch diameter ductile iron pipes with improved pipe trenches. Along with the new pipe system, a new pump house and pump/storage tanks were also installed.
- Since 1988 maintenance has been limited to necessary pipe/pump system repairs.
- The storage tanks necessary for the operation of the system have recently been inspected and have been found to be in need of painting (est. cost \$45,000).

- The present billing rates are established by ordinance. The present rates do not provide enough revenue to fund the storage tank painting or to provide a marginal amount of capital surplus to fund potential pipe repairs.
- Rates have not been increased since 1997.
- The township is compelled to review rates annually and revise them periodically to reflect actual costs of operation, maintenance and capital improvements if required.
- The township has reviewed the existing rate structure, has consulted with a utility rate expert, has reviewed ideas offered by residents, and has come up with a revised rate structure.
- This revised rate structure follows the original rates.

- The present base rate for the system is \$70 for the first 7,000 gallons of water each billing quarter. *The proposed base rate is \$75 for the first 6,000 gallons of water each billing quarter.*
- The existing and proposed rates for water used are as follows. Actual usage is measured and quarterly bills are determined using upon the base rate plus the fee for gallons used above the base.

EXISTING RATES

0-7,000	\$70/qtr (Base Rate)
7,001-10,000	.0085/gal.
10,001-15,000	.0090
15,001-20,000	.0099
20,001-25,000	.0107
25,001-30,000	.0115
30,001-35,000	.0118
35,001-40,000	.0123
More than 40,000	.0128

PROPOSED RATES

0 - 6,000	\$75/qtr (Base Rate)
6,001- 9,000	.012/gal.
9,001-12,000	.013
12,001-15,000	.014
15,001-18,000	.015
18,001-21,000	.016
21,001-24,000	.018
24,001-27,000	.020
27,001-30,000	.022
30,001-35,000	.024
More than 35,000	.026

- The proposed billing rates will fund a \$45,000 bond ordinance which will allow completion of the needed storage tank painting.
- The proposed billing rates will create a capital surplus that can be used for other system repairs such as water main breaks.
- The proposed billing rates increase the number of billing tiers which allow greater flexibility for individual owners to adjust their water usage.

Distribution of Volume Sold

