

MEMORANDUM

Village of Mamaroneck



To: Richard Slingerland, Village Manager

From: Daniel J. Sarnoff, Assistant Village Manager

Re: Sewer Fee on Water Bills

Date: March 14, 2014

P 914-777-7703

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1st Revised: March 12, 2015

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2nd Revised: April 16, 2015

Over the past several years the Village has expended significant funds (approximately \$2-3 million) to maintain and improve our public sanitary sewer system. This has included pipe lining to repair cracks and eliminate sources of infiltration, identification of illicit discharges and point repairs to fix collapsed sewers.

Even though we have expended significant funds already, there remains much work to be done as evidenced by the recent County Flow Monitoring Study as well as problems identified through the Village's own investigations with both Arcadis and Save the Sound.

The cost of making repairs and maintaining our aging infrastructure will likely increase going forward and it is appropriate to look at alternate revenue streams to provide funding for future maintenance and capital work on the sanitary sewer system.

One potential opportunity is the establishment of a sewer use fee which would be based on water consumption. This type of approach would be fair as the amount of sewage outflow in a household is a function (with the exception of irrigation) of the amount of water used, including shower water, gray water from sinks and laundry and wastewater flushed down the toilet, all of which is conveyed through the Village's system.

Many communities have established such a sewer fee. Locally, the Village of Scarsdale has established a sewer user fee, and the Town of Mamaroneck is currently in the process of working with the Westchester Joint Water Works to establish such a fee.

Staff has not performed any calculations as to budgetary requirements or how such a fee should be calculated, however, the following costs are estimated on the costs identified in Figure 1 are initial estimates of General Fund and Capital expenses. It is a "back of the envelope" calculation and it is strongly recommended that a detailed analysis be performed before any sewer fee be established.

Figure 1

Cost Estimate for Sewer Program (based on 2014/15 Budget)

General Fund

.100 Personal Services	\$90,000	(salary, longevity, OT)
.200 Equipment	\$3,000	
.400 Contractual	\$70,000	
.800 Benefits	\$45,000	(pension, FICA, Medical, W/C)
TOTAL GEN. FUND	\$208,000	

Capital Budget

Sewer Lining	\$350,000	
I&I Investigation	\$250,000	compliance with NYSDEC Consent Order
TOTAL CAPITAL COSTS	\$600,000	

As noted, this is not a detailed analysis and assumes policies relative to capital spending that would have to be reviewed with the Board of Trustees. Due to embedded costs with maintaining the existing system, staff recommends that only capital costs be funded through a sewer rent fee at this time.

It is estimated that the Village residents currently pay approximately \$5,600,000 in 4300 fees to the Westchester Joint Water Works with, based on approximately 4,300 customers equates to average annual bills of the average customer paying approximately \$1,300 per year. Based on this, a surcharge of approximately 11% (or \$133 per account - \$33/quarter) would raise the approximate \$600,000 to fund an annual capital program.

Some factors to consider include whether the surcharge should be billed during the non-summer months (because of higher water usage applicable to irrigation systems) and how such a surcharge would be applied towards commercial businesses (one WJWW customer in particular consumes 5% of all water in the Village but contributes very little to the sanitary sewer system).

These are all important concepts that should be reviewed with the Village Board before additional study and analysis is performed. As such, I would respectfully request that this be added as an item for discussion to the April 20, 2015 work session agenda.