



TOWN OF BALLSTON

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An Equal Opportunity Employer

Notice of Water Rate Increase

NOTICE OF INCREASED WATER RATES AND CHARGES EFFECTIVE FOR WATER BILLED IN 2018

Dear Customer,

A rate increase of \$0.25 per billing cycle was approved by the Board of the Town of Ballston as part of the annual budget adoption process completed in November 2017. For a typical single-family residential water customer, the water bill will increase by \$2.50 per month, based on annual usage of 80,000 gallons. The Town will not have a minimum charge for the 2018 billing cycles, but will revisit the topic during the 2019 budget process. This rate increase applies to *all* Water Districts (the "Districts") within the Town of Ballston jurisdiction.

The Districts are currently budgeted as revenue-neutral funds with consideration to wholesale supply rates, costs to operate and maintain the system including infrastructure repairs and equipment replacement costs. The Town of Ballston's current wholesale suppliers are the Saratoga County Water Authority (SCWA) and the Town of Glenville. Fluctuations in water usage, ongoing development in the Districts, increasing percentages of unbilled usage, and the fact the timing of the Town's water billings do not coordinate with the wholesale supplier billings continue to challenge the Town's ability to estimate anticipated usage and costs for each budget cycle.

During the most recent budget cycle, Water Superintendent, Joe Whalen, requested the assistance of Ed Hernandez of Adirondack Mountain Engineering to conduct an informal review the Town's water cost data. For 2016 and 2017, the estimated percentage of water used but not measured (billed) through Town meters was 34.3% and 38%, respectively. The average expected percent for unmetered water usage is 15%. The informal review also revealed that the "breakeven" rate the Town would have needed to charge in 2017 was \$6.25 per thousand gallons, which is a minimum of \$2 above the highest District user rate, not including outside user rates. "Breakeven" would not include a typical portion of a water rate being set aside for long-term capital planning such as replacement of aging infrastructure.

The Board concurred with Superintendent Whalen's request to address both water rate and unmetered water usage issues in the forthcoming 2018 fiscal year. Supervisor Whalen requested, and the Board agreed, to designate a \$100,000 grant from State Senator Tedisco for the replacement of 300+ meters with remote read meters or meter heads in addition to the remote read software and equipment required for administration. The Town currently has approximately 1,200 meters that are over 30 years old. Research and testing on aging meters shows increasing revenue losses due to incorrect meter readings. Below is a link to an article providing insight on the issue:

<https://www.wqpmag.com/determining-economical-optimum-life-residential-water-meters>

The Board and Superintendent Whalen will continue the work of addressing the replacement of the remaining aged meters, known and unknown infrastructure repairs, replacements, and installations, along with the work of determining the best financing options for these items along with the timing of implementation.

As utility costs in the industry continue to rise, the Town of Ballston's management and staff is committed to providing a reliable, cost efficient and sustainable water system to its District users. The new rates will assist in moving towards coverage of routine delivery, service, and maintenance of the system.

Further, New York State's Office of the State Comptroller recognized earlier this year that local governments are struggling with the costs and maintenance of their water systems. (See below link for Comptroller DiNapoli's public statement and links to other sources.)

<https://www.osc.state.ny.us/press/releases/feb17/021317.htm>

<https://www.osc.state.ny.us/localgov/pubs/research/municipal-water-systems.pdf>

For further documentation on the 2018 budget discussion, please refer to the Town of Ballston's website for the meeting minutes of November 14, 2017.

Thank you,

Town of Ballston Water Commission

Contact
Address
City, State zip