



TOWN OF WILLISTON

MEMORANDUM

Town of Williston
7900 Williston Road
Williston, VT 05495
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Public Works
(802) 878-1239

TO: Rick McGuire, Town Manager
FROM: Bruce K. Hoar, Public Works Director
DATE: June 16 2011
RE: Sewer Allocation Purchase & Rates

This memo is for setting Sewer Allocation Rates for FY12. The current rate is \$5.37 x number of gallons. We now have a deal with Essex Junction to purchase 50,000 gallons of additional capacity over a 5 year time period. The agreement allows us to purchase 10,000 gallons per year. The cost of this new capacity is \$10.00 per gallon.

The table below is where we stand, as of the date the Draft Attachment A was presented, in regards to the amount of sewer allocation that we have left. The table does not include any new allocation.

Table 2: Calculation of capacity available for allocation

980,000 gpd Total available treatment capacity
-637,540 gpd Projected capacity needed for existing users (5 yr. avg.)
-107,736 gpd Capacity committed but not yet on-line
- 68,600 gpd Reserve capacity (7% of total treatment capacity)

166,124 gpd remaining capacity available for allocation FY 2012-2015

The question is when to start charging the \$10.00 per gallon that we are paying for our new allocation. In order to offset the \$100,000 cost to the town I would recommend that the sewer allocation rate charge for FY12 be set at \$7.50 per gallon. Then in FY13 we raise the rate to \$10.00 per gallon. This way we recoup some of the expense of the new allocation by charging a little more for the existing capacity. Then offset the rest of the expense by going to \$10.00 in FY13 which will still include some existing capacity over the next 4 years.