Warrington Township Water/Sewer System Update

March 12, 2019

AGENDA

1. Presentation by Township Manager
2. Presentations by NWWA and BCWSA
3. Public Comment
4. Discussion Concerning Next Steps

CB South Meeting

Public concerns from Feb. 5th meeting:

1. Loss of Control - Water and Sewer Systems
2. Where proceeds from sale would go
3. Potential tax increases
4. Agreement with Air National Guard
5. Cost of infrastructure improvements
6. Sale of Water System only
7. Expansion of water and sewer system

Control of Systems

If Township doesn't sell, Township will retain control of Systems

- Township will maintain and improve systems as appropriate
- Supervisors are held accountable to residents through elections
- Rates/fees will be adjusted to cover expenses

Immediate Impact of Water Rates/Fees on Customers - Sell

	Warrington Township (Current)	NWWA (3-Yr. Rate Lock)	Difference
Rate per 1,000 Gallons	$7.16	$3.60	$3.56
Quarterly Base Fee	$20.00	$12.00	$8.00
Quarterly Bill	$127.40	$66.00	$61.40
Annual Bill	$509.60	$264.00	$245.60

Decrease in annual bill (15,000 gal/Quarter)

$245

Future Impact of Water Rates/Fees on Customers - Sell

	Warrington Township (Current)	NWWA (for past 24 years)	Difference
Rate per 1,000 Gallons	$7.16	$3.60	$3.56
Quarterly Base Fee	$20.00	$12.00	$8.00
Quarterly Bill	$127.40	$66.00	$61.40
Annual Bill	$509.60	$264.00	$245.60

Continued decrease in annual bill (15,000 gal/Quarter)

$245

Immediate Impact of Sewer Rates/Fees on Customers - Sell

	Warrington Township (Current)	BCWSA (3-Yr. Rate Lock)	Difference
Rate per 1,000 Gallons	$6.15	$6.15	$0.00
Quarterly Base Fee	$20.00	$20.00	$0.00
Quarterly Bill	$112.25	$112.25	$0.00
Annual Bill	$449.00	$449.00	$0.00

No change

in annual bill (15,000 gal/Quarter)

Future Impact of Sewer Rates/Fees on Customers - Sell

	Warrington Township (Current)	BCWSA (following 3-Yr. Rate Lock	Difference
Rate per 1,000 Gallons	$6.15	$5.88	($0.27)
Quarterly Base Fee	$20.00	$71.04	$51.04
Quarterly Bill	$112.25	$159.24	$46.99
Annual Bill	$449.00	$636.96	$187.96

Increase in annual bill (15,000 gal/Quarter)

$188

Future Impact of Water and Sewer Rates/Fees on Customers - Sell

	Warrington Township (Current)	NWWA & BCWSA (following 3-Yr. Rate Lock	Difference
Rate per 1,000 Gallons	$13.31	$9.48	($3.83)
Quarterly Base Fee	$40.00	$83.04	$43.04
Quarterly Bill	$239.65	$225.24	$14.41
Annual Bill	$958.60	$900.96	$57.64

Decrease in annual bill (15,000 gal/Quarter)

$58

Proceeds of Sale

If Township sells, proceeds could be funneled in various directions:

- Pay W/S Debt and cover General Fund gap
- Pay W/S Debt and spend on Capital Improvement Projects
- Pay W/S Debt and split between General Fund gap and Capital Improvement Projects
- Pay W/S Debt and create Rate Stabilization Fund

Caution: This delays and compounds future tax increases

Tax Increases

Taxes will inevitably increase

- Taxes may increase in distant future if a sale of Water and/or Sewer Systems go through in order to close Funding Gap

Air National Guard

Township Staff has reached out to the ANG:

- Confirmed that Cooperative Agreement would transfer to NWWA if a sale were to proceed
- NWWA can address what they intend to do with filtered wells

Infrastructure Improvements through 2090

Infrastructure Improvements must be done whether by the Township, NWWA, or BCWSA

WATER SYSTEM	SEWER SYSTEM
$41,593,036	$121,670,529

Total = $163,263,565

10 Year Impact on Customers – Do Not Sell

- **$48 Million** worth of Infrastructure improvements over the next 10 years

- Increased Operations Costs

2019 to 2029 Annual Bill increased by **$454**

10 Year Impact on Customers – Sell Water Only

- **$25 Million** worth of Sewer Infrastructure improvements over the next 10 years

- Increased Operations Costs

2019 to 2029 Annual Sewer Bill increased by **$187**

Impact if Only Water System Sold

- Loss of approx. $550,000 annually
- Proceeds of sale would go to debt
- Water Customer Bills would be reduced by $245 annually (2023)
- Sewer Customer Bills would increase by $87 annually (2023)

Impact on Finances if Both Systems Sold

- Loss of approx. $550,000 in Revenue annually
- Gap potentially covered by sale for approx. 20 years
- Water Customer Bills would be reduced by $245 annually (2023)
- Sewer Customer Bills would increase by $188 annually (2023)

Expansion of Water/Sewer System

- Expansion possible through survey of residents followed by binding agreements
- Expansion possible through Development
- Expansion possible upon discovery of contamination of a cluster of private wells or a cluster of failing septic systems