



Town of Mamaroneck

Town Center

740 West Boston Post Road, Mamaroneck, NY 10543-335

TEL: 914/381-7860
FAX: 914/381-2110

Memorandum

To: Supervisor and Town Board

Re: Preliminary Review Sewer Rent Rate – 2022

Date: November 12, 2021

Local Law #7 adopted in 2014 provides for establishing a sanitary sewer rent as an alternative to the ad valorem tax to fund the operation and maintenance of the sanitary sewer system. Section 174-3 of the legislation requires that the Town Board annually set the sewer rent rate per gallon based upon water consumption. The rate is calculated by dividing the revenue required to operate the sanitary sewer system by the adjusted water consumption of all system users. A public hearing must be held by the Town Board to consider any change in the sewer rent rate.

There are 3,200 billed water accounts in the unincorporated Town. There are an estimated 68 properties in the unincorporated area that utilize septic systems and therefore not connected to the sewer system. Below is a listing of water sales in the unincorporated area for the last three full years:

- ❖ 2020 Actual 459,000,000 gallons
- ❖ 2019 Actual 419,000,000 gallons
- ❖ 2018 Actual 413,000,000 gallons

Three-year average water sales- 430,333,333 gallons

Average annual water use for a residential property is 115,000 gallons. This is the average of annual water use with and without irrigation based upon the average of the last three years of total water use in the Town.

With 68 properties not connected to the sanitary sewer system and an average residential water consumption of 115,000 gallons; 17,500,000 gallons of water is deducted from the average water sales for purposes of the calculation of the sewer rent. Also, the law provides that the sewer rent to be charged be based upon 90% of the actual water consumed. Therefore, for rate calculation purposes the adjusted annual water sold is determined as follows:

Three-year average water sales	430,333,333 gallons
Deduction for properties not connected to the sanitary sewer system	<u>17,500,000 gallons</u>
Subtotal	412,833,333 gallons
Allowance for 90% of actual average water consumption	<u>41,283,333 gallons</u>
Adjusted water sales for rate calculation	371,550,000 gallons

The funding to be raised for Sewer District expenses in 2022 is \$673,000.

Therefore, the rate calculation is $\$673,000/371,550,000 = \$.0018/\text{gallon}$, an increase of $\$.0002/\text{gallon}$ over 2021.

For an average residential consumer using 115,000 gallons of water per year the property owner will be billed for 90% of the consumption or 103,500 gallons. As a result, the average annual sewer rent for 2022 will be \$187.47, an increase of \$38.57 over 2021.

For a point of comparison, a home with an average assessment of \$1,308,000 would have incurred a property tax bill of \$196.53 for Sewer District expenses in 2022 had the ad valorem tax been applied. For property owners, the decision by the Town to convert from the ad valorem tax to the sewer rent continues to be a favorable one. The sewer rent calculation is based upon average water use for residential properties, however, property owners can further control this expense through their own water conservation measures.

Procedurally, the Town Board must hold a public hearing on the proposed sewer rent rate increase before a new rate can be implemented.

Meredith S. Robson
Town Administrator

cc: Tracy Yogman- Comptroller