

SEWER RATE FACT SHEET

Timing and Prior Discussion:

This increase was the first since December 2007 and was first discussed in September 2009 by the Sewer Authority. The increase was discussed at nine public meetings.

Rate History:

DATE	RATE	EFFECTIVE BILLING
11/16/04	\$66.00 for 12,500 gal; .00528¢/gal over (wells \$92 flat)	February billing 2005
12/18/07	\$83.00 for 12,500 gal; .00664¢/gal over (wells \$115 flat)	February billing 2008
5/18/10	\$87.00 for 7,500 gal; .013125¢/gal over (wells \$120 flat)	May billing 2010

Breakdown of Accounts:

	1 ST QTR 2009	1 ST QTR 2010
TOTAL NUMBER OF BILLS	4845	4866
NO. OF FLAT RATE (WELLS)	571	573
NUMBER OF METERED BILLS	4274	4293
NO. OF MINIMUM METERED BILLS	2889	1702
% MINIMUM METERED BILLS	68%	40%

The new rate structure was intended to make the sewer rates more consumption based – “use less, pay less” and “use more, pay more”. As seen above, prior to this increase, over 60% of the metered sewer accounts were using less than the 12,500 gallon minimum. As of the increase, 40% of the metered sewer accounts were still billed the new minimum of \$87.00. The average usage per household is 9,900 gallons.

Treatment Costs:

98% of Cumru Township sewage is treated by Reading - The history of the treatment/transportation rates for Reading is as follows:

	2006-2007	2007-2008	2008-2009	2009-2010	% increase 2006-2010	2010-2011
TRANSPORTATION	\$20.49	\$27.38	\$28.75	\$26.39	22 %	\$29.56
TREATMENT	\$151.06	\$179.04	\$210.69	\$205.02	26 %	\$220.17
TOTAL	\$171.54	\$206.42	\$239.44	\$231.41	26 %	\$249.73
MINIMUM SEWER BILL	\$66.00	\$66.00	\$83.00	\$83.00 until May 2010	20 %	\$87.00 for 7,500 gal

Reading’s 2010-2011 treatment/transportation rates to Cumru Township are increasing by 8% overall, effective August 2010 (2nd quarter 2010 billing). The Township is obligated to pay the City 8% more for consumption and infiltration by August 31, 2010, before revenue is received.

(Note: the Township’s budget runs on a calendar year, but the treatment and transportation rates run from 4/1/YY to 3/31/YY.)

Financials:

2009 Sewer Operations Fund Deficit: \$322,000.

Sewer Capital Fund: The Township was required to reimburse PennDOT for 50% of the cost for relocation of the sanitary sewer lines in the 222 corridor from the Sewer Capital Fund. This cost was \$953,122.24.

Breakdown of Funds:

Additional Revenue: \$500,000/year This revenue is used for:

Operating Expense (to make up yearly operating deficit): \$300,000/year

Increased Treatment Costs: Anticipated to be approximately \$150,000/year

Capital and Reserve funds: \$50,000/year

Comparison to other Municipalities that utilize Reading for at least part of treatment:

	CUMRU	MUHLENBERG	KENHORST	ANTIETAM VALLEY
SEWER RATE MINIMUM AMOUNT	\$87.00/QTR	\$107.57/QTR	\$70.00/QTR	\$30.00/QTR
MINIMUM USAGE FOR SEWER RATE	7,500 GAL/QTR \$.013125/GAL ABOVE MIN New minimum bill is \$87.00 for metered customers.	1,600 CU FT/QTR (12,000 GAL/QTR) \$5.87 PER 100 CU FT ABOVE MIN	12,500 GAL/QTR \$.0054/GAL ABOVE MIN	1,000 GAL/QTR \$8.00 PER 1,000 GAL OR FRACTION ABOVE MINIMUM