



**TOWN OF SHARON**  
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**MEMORANDUM**

TO: Select Board, William Heitin, Chair

FROM: Eric R. Hooper, P.E., Superintendent of Public Works

DATE: February 18, 2022

SUBJECT: Proposed Water Rate Increase Effective April 1, 2022

Recent past rate increases were in keeping with the approach adopted previously by the Water Management Advisory Committee of having regular, relatively small rate increases. It used to be that producing our water was very low cost. All we had to do was pump the water out of the ground and add some chemicals that were relatively inexpensive for pH and disinfection (bacterial control). The vast majority of departmental costs were in maintenance of the delivery and storage system of an essentially free resource. However, the current Commonwealth treatment mandates for newly identified constituents that we are regulated by has essentially changed this. With the requirement for treatment of virtually all the water that we provide, we will see a drastic increase in the actual cost of the water prior to delivery.

What is proposed is a rate increase that should result in an increase in overall revenues of about 15% from roughly \$4.8 million to \$5.5 million. The revenue increase will allow the Water Department absorb the cost of Phase 1 of the permanent treatment program to remove PFAS and to continue its long-term infrastructure improvement program of water main replacement and implementation of other large capital projects. An additional similar increase may be required for Phase 2 depending on success achieved pursuing additional grants and lower interest funding.

This proposed increase was presented to the Water Management Advisory Committee for discussion in January and February and approved by the Committee for presentation to the Select Board.

The proposed changes include the following highlights:

1. Increased the fixed fee from \$60/quarter to \$85/quarter. Revenue collected through this fee is used to fund Phase 1 of PFAS treatment for Well #4 and to support the recent debt for water main replacement projects in the Heights, Massapoag Avenue

and Pond Street as well as large capital projects such as the Emergency MWRA Connection, the Massapoag Avenue Tank replacement and the meter replacement project. Note that \$85/quarter will be about two-thirds of the actual debt service.

2. A change to all consumption block rates and use categories, including “Other” which was not changed previously, but is being brought closer to residential winter rates and “Irrigation Only” to match residential summer rates.
3. Retain subsidized fee for income qualified residents using the criteria set for subsidized trash collection, i.e., waiving the base fee and charging for water used only.

Based on past use history, approximately 350 households (6%), will remain in the lowest, most subsidized block, and an additional 500 households will remain in the second rate block. These two blocks represented approximately 15% of accounts and are primarily 1 and 2 person households and elderly residents.

Also based on past use history, approximately 25% of Sharon households will have water use that will reach the top block rate.

To qualify for subsidized Capital Project Fee waiver, single income resident households may have a maximum annual income of \$24,980, multiple income households may earn a combined annual income of no more than \$33,820. Applications for subsidized fee waiver will be available at the Sharon Council on Aging Administrative offices at the Sharon Community Center. Residents who receive this subsidized rate must apply for the subsidy annually.

Proposed rates and block break points:

Capital Project Fee	Residential		Other*	Irrigation Only
	Spring/Summer	Fall/Winter		
	\$85.00	\$85.00	\$85.00	\$85.00
0-4,000 gallons	\$5.50	\$4.75	\$5.00	\$10.50
4,000-7,000 gallons	\$8.75	\$7.75	\$6.50	\$10.50
7,000-17,500 gallons	\$11.50	\$10.25	\$7.50	\$11.50
17,500-27,000 gallons	\$13.50	\$12.75	\$8.00	\$13.50
>27,000 gallons	\$15.75	\$14.75	\$8.50	\$15.75

\* Agriculture, commercial and industrial uses

Fall/Winter: October through March

Spring/Summer: April through September

In order to implement a rate change, according to language accepted at the May 7, 2001 Annual Town Meeting as an add on to the Town's acceptance of Chapter 40, Section 22F "that any Board or officer empowered to issue a license, permit, certificate or render a service or perform work for a person or class of persons be required to have a public hearing advertised at least 3 weeks prior on public cable television before the imposition of any increase in such fees or charges presently imposed."

Accordingly, a Public Hearing should be scheduled for a March Select Board Meeting date to allow sufficient time to make the appropriate postings.

Current Rates and Proposed Increase:

Capital Project Fee	Residential		Other*	Irrigation Only
	Spring/Summer	Fall/Winter		
	\$60.00 + \$25	\$60.00 + \$25	\$60.00 + \$25	\$60.00 + \$25
0-4,000 gallons	\$5.25 + \$0.25	\$4.50 + \$0.25	\$4.00 + \$1.00	\$10.00 + \$0.50
4,000-7,000 gallons	\$8.00 + \$0.75	\$7.50 + \$0.25	\$4.50 + \$2.00	\$10.00 + \$0.50
7,000-17,500 gallons	\$11.00 + \$0.50	\$9.75 + \$0.50	\$5.00 + \$2.50	\$11.00 + \$0.50
17,500-27,000 gallons	\$13.00 + \$0.50	\$12.50 + \$0.25	\$5.50 + \$2.50	\$13.50
>27,000 gallons	\$15.50 + \$0.25	\$14.50 + \$0.25	\$6.00 + \$2.50	\$15.00 + \$0.75