



Handout – Proposed FY2023 & FY2024 Water & Sewer Rates
Select Board Meeting – Town of Hatfield, MA
November 29, 2022 @ 6:00 PM



WHY IS THE SEWER RATE INCREASE PROPOSED?

- Aging infrastructure: Hatfield WWTP is nearly 40 years old (typical life expectancy of mechanical equipment is ≈ 20 years); Portions of the collection system are nearly 100 years old. **The estimated value of the wastewater assets is ~\$110M in current day replacement costs.**
- Adequate funding of the wastewater budget: actual expenses are consistently higher than budgeted expenses due to deferred capital. **The wastewater operation and maintenance (O&M) budget has been minimally updated over past several years.**
- The wastewater management plan identified nearly \$32 Million in capital needs for the collection system, pump stations, and WWTP; \$12 Million of which is proposed over the next 3 years. **Current construction inflation is estimated to be 7.5 to 10% per year.**
- USDA Eligibility: USDA requires sewer rates to be greater than 1%(+) of Median Household Income (MHI) for grant eligibility through its Rural Development Grant/Loan Program. **A USDA funding application was submitted in June 2021 and the Project Design Phase is currently underway.**
- Current annual inflation rates are greater than 8%.

HOW WILL THE PROPOSED SEWER RATE INCREASE AFFECT ME?

Hatfield Sewer Customers	FY2022	FY2023 (2 nd Half)	FY2024
Rate per HCF	\$9.34	\$10.27	\$11.96
Proposed Increase (%)	-	10%	17%
Approximate Average Additional Cost per Month per Residential User from the Preceding Fiscal Year	-	\$5.00	\$9.00

WHY IS THE WATER RATE INCREASE PROPOSED?

- Capital Needs: \$6 Million in capital needs over the next 5 years, including water main replacement, water main construction, and upgrades to the Omasta Well.
- Adequate funding of the water budget: actual expenses are consistently higher than budgeted expenses.
- Current annual inflation rates are greater than 8%.

HOW WILL THE PROPOSED WATER RATE INCREASE AFFECT ME?

Hatfield Water Customers	FY2022	FY2023 (2 nd Half)	FY2024
Rate per HCF	\$4.91	\$5.40	\$6.31
Proposed Increase (%)	-	10%	17%
Approximate Average Additional Cost per Month per Residential User from the Preceding Fiscal Year	-	\$3.17	\$5.92

QUESTIONS?

Phil Genovese: Director, Department of Public Works – 413-247-0322
 Anthony Lastowski: Superintendent, Water Department – 413-345-0345
 Ken Holhut: Superintendent, Sewer Department – 413-247-9844