

SEWER RATE CHANGES

There has been much discussion and criticism regarding the new rate changes for sanitary sewer service. The following is an attempt to answer and explain some of the issues that have been raised including the rate is unfair, it doesn't promote water conservation, and there was no rationale behind setting the rate at its current level.

Prior to January 2008 WMT had two separate sewer districts that coincided with where the sewage was sent for treatment. One district was served by the York City Treatment plant and the other district was served by the Dover Township plant. There were two separate sewer rates for both of those districts and even separate rates within the districts. Those rates ranged from a flat rate of \$56.00 per quarter to \$97.00 per quarter to various water usage rates depending on the amount of water used. At some point in time there were legitimate reasons for charging different rates to different areas of the township based on the original cost of running sewer to any given area. However, over the years, bonds were refinanced, combined, new projects were funded, etc, which has erased any rational reason for a varying rate from one area to another. Therefore the individuals paying the low flat rate of \$56.00 per quarter have actually been subsidized by those residents paying higher rates. That is also not fair.

The Bay Cleanup initiative was the impetus for this review of the rate structure. The City and Dover Plants are facing required improvements in the vicinity of twenty five to thirty five million dollars in upgrades to comply. WMT is required to pay our share of those improvements which is a considerable amount. Therefore the Board began looking at options to minimize the impact and develop a rate which would be the fairest over all.

The flat rate of \$128.00 was chosen for several reasons:

1. Using a flat rate is the only way to budget accurately to ensure the township collects adequate revenue to pay its obligated costs. Revenues can vary widely using a water usage method from quarter to quarter and year to year. Therefore, not only is the township's revenue source always in flux, sewer rates are likely to change year to year also.
2. The Board did discuss the merits of using water usage rates to encourage conservation of water. However, they chose a flat rate based on the conservation argument for two main reasons. The first being, if water conservation is a priority it should be achieved by increasing the price of water as you use more, not sewer costs. This argument is akin to raising the price of tires and cars to attempt to persuade people to use less gasoline. It is a back door approach at best. The other argument against a water usage rate is those individuals on a water usage rate that may choose to water their grass, wash their car, allow their kids to play in the sprinkler, etc, etc, were required to pay sewer charges on

that water even though it never entered the sewer system. Many could argue that is not fair either.

3. The other reason and probably the most important why a flat rate was chosen deals with the actual cost the township is required to pay to provide sewer service in total and how little of that cost is attributed to how much water any individual uses. The entire cost of the plant upgrades mentioned above is totally unrelated to any customer's amount of water usage or even the amount of water usage generated by all customers together. The cost for repairing and replacing existing lines in the streets are non-related to water usage. The cost of transporting the sewage from the township customers homes to the two treatment plants are not related to water usage amounts. The only cost associated to any degree to water usage is a percentage of the cost of treatment at the two plants. This percentage is the smallest cost of all costs associated with sewer service within the township.

Therefore for all the reasons above the Board determined the fairest way to provide the sewer service and assess costs for the same is the flat rate method chosen. Almost every service offered by the township can be argued to be unfair to one or more individuals. Examples are as follows:

Police and fire costs make up most of the budget, and I have never used the police and fire so why should I have to pay the same as those that use them all the time. You should charge for each call.

I don't drive or I live in a condo on a private street. Why should I have to pay the portion of my taxes to have the roads plowed and swept?

I don't have kids in school, why should I have to pay school taxes?

I have never applied for a building permit, why do I have to pay the portion of my taxes to hire a zoning officer and staff?

The list is endless that similar fairness arguments can be made for. The Board has in the past and will continue in the future to make policy based on sound reasoning that will benefit the township as a whole. There has been and will continue to be discussions on micro levels as to the fairness of each policy, and that is practically unavoidable. We have 17,000 plus residents all with different social and economic personal situations. It is nearly impossible to enact any policy that is totally fair to all.