

Notice of Water Rate Increase

Attention Residents of the Village of Alexander and Town of Alexander Water Districts #1 & #4:

The Village Board of Trustees, on March 14, 2024, at 6:00 pm in the Village Board Room, 3350 Church Street, Alexander, New York, will hold a public hearing for water system users to explain an upcoming water rate fee structure that will change how water rates are calculated for all users connected to the Village's water system. Effective June 1, 2024, the Village intends to assess water debt service against all benefited system users on the annual Village or Town tax rolls via the Equivalent Dwelling Unit (EDU) assessment methodology and annual system operation and maintenance (O&M) expenses will be raised using the new rate schedule below.

Reason for the Increase:

Over the years, our water infrastructure has undergone significant upgrades and improvements to eliminate water line breaks and Health Department violations. These enhancements are essential to ensure the continued delivery of clean and reliable water to our residents. Some of the key factors contributing to this rate adjustment include:

- 1) **Infrastructure Investments:** The Village has invested in critical infrastructure projects including the recent \$4,870,000 transmission main project which the Village was able to secure \$2,593,000 of grant funding, resulting in a \$2,278,000 long-term 30-year loan with a 50% interest rate subsidy.
- 2) **Generous Donation Will Pay Off Old USDA RD Loans:** The Village was pleasantly surprised with an unprecedented donation that, with interest, will total \$106,000 that can be applied against the Village's old water tower USDA RD loans. The pay-down, plus a contribution of \$50,000 from available funds of the Village, will pay off one old loan entirely and shorten the term of the second RD loan by three years – saving ratepayers over \$219,000 over the term of the loans.
- 3) **Increased Operational Expenses:** The costs of chemicals, utilities and the water rates charged by the Village of Attica are all slated to increase over the coming years. The Village is going to raise rates now so huge rate increases will not be needed in the future.
- 4) **The New Rates Will Allow the Village to Establish Capital Reserve Funds:** The new rates are projected to allow the Village to transfer \$10,000 per year in a water repair and reserve fund that will allow the Village to make repairs to the system without having to borrow more funds for needed repairs in the future.

Details of the Rate Increase:

Starting June 1, 2024, the following charges will apply to all water rates:

Village of Alexander Water Rates

Village Water Rates - Quarterly Billing & Annual Debt Service Assessments

Operation & Maintenance Charge Per Gallon Water Consumed

0 to 3,000 gallons	\$45.00 per quarter minimum charge
Every Thousand Gallons Thereafter	\$5.90 per thousand gallons over 3,000 gallons

Capital Improvement Charge (Will Appear On Village or Town Tax Rolls)

\$301.00 annual assessment per Equivalent Dwelling Unit
(assumes 10,209 gallons quarterly water usage for typical residential user)

1 EDU Assigned to All Residential Units.

Apartments: 1 initial unit plus .5 EDU Assigned to Each Apartment Thereafter.

Commercial Users - Average annual Usage/10,209 = Number of EDUs Assigned on Tax Roll

Each Developable Vacant Lot .5 EDU

Agricultural Usage .5 EDUs

Veterans Clubs and Youth Organizations .5 EDUs

The New Rates Will be More Equitable - Users Will be Assessed in Proportion to the Demand They Place on the System.

By separating debt service from the system's operation and maintenance the water rate structure will reflect the core values of being defensible, equitable and fair to each class of user benefiting from the system.

The hydrant charge assessed against Town Water District users will be eliminated, and all users will be charged in the same manner, both inside and outside the Village.

Under the new rate structure many single-family users will see their annual water bills decrease somewhat and large commercial users will pay more – a fairer method to charge based on actual benefits received.