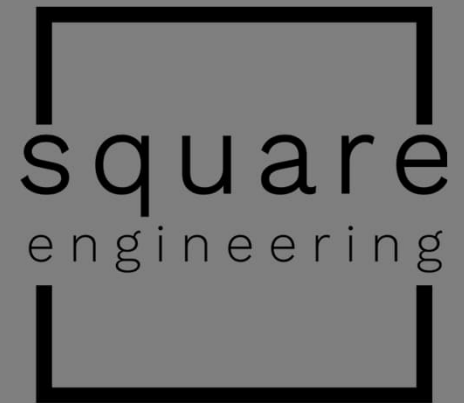


Town of Clymer Water System Project Rate Impacts

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October 13, 2026



Agenda

- Recap of Capital Project
- Project Costs and Funding
- Project User Cost Impact
- Suggested Water Rates
- Comments and Questions

Capital Project Recap

- Replacement of ~26,000 feet of water main (service life of 50 to 100 years)
- Replacement of the Water Storage Tank (service life of 50 to 100 years)
- Installation of a New Groundwater Well (service life can vary)
- Replacements of all Water Meters (service life of 20 years)

Project is 70% Complete



Project Costs and Funding

Current Authorized Cost: \$8,390,000

Current Included Contingency: ~\$850,000

Grant: \$5,000,000 60% Grant, caps at \$5M

Debt Service: \$3,390,000 Financed by 30-year, 0% interest loan

*You give back \$0.60 of grant, for every \$1 not spent under \$8,333,333

Approximate Yearly Debt:

➤ \$8,390,000 (most cost) = \$111,850

➤ \$7,500,000 (least cost) = \$100,000

➤ Added Debt Per User (245 Users) = \$408 - \$456 per year

Rate Study

- Rate Study Completed in June by Municipal Solutions (Fiscal Advisor).
- Study Evaluated Existing Revenues and Expenses to determine necessary rate adjustments.
- Recommended Rate Increases designed to cover operating expenses and new debt based on an \$8,390,000 project cost.
- Projected Annual Increase: Approximately **\$380** for a typical residential user (40,000 gallons/year).
- Consistent with Previous Projections: Recommended rates largely align with estimates presented throughout project planning.

Suggested New Rates

Current Rate (Semi-Annual Billing)

Meter Charge: \$60 / six months

Consumption Charges (Per 6 months):

0 - 10,000 Gal:	\$75
10,001 to 40,000 Gal:	\$5.75/thos.
40,000+ Gal:	\$5.00/thos.

Tax Assessment: Varies (~\$34)

Est. Yearly Bill 40,000 Gal User: ~\$420/year

Proposed Rate (Quarterly Billing)

Base Charge: \$35.00/quarter

Consumption Charges (Per quarter):

0 - 3,000 Gal:	\$0
3,001 to 20,000 Gal:	\$5.75/thos.
20,000+ Gal:	\$5.00/thos.

Tax Assessment: Varies (~\$34)

New Capital Debt: \$91/quarter

Est. Yearly Bill 40,000 Gal User: ~\$700/year

Affordability of Rates:

Rates of New Systems or Systems with Major Upgrades

- Village of Mayville: \$720 (2025) increasing to \$842 (2029)
 - Village of Sherman: \$618 (2025)
 - Town of Ellicott Fluvanna Water District: ~\$800
 - Town of Chautauqua Water Districts: \$1,000+
 - Town of Carroll (Frewsburg) - \$675 Projected
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- **Comparable Rates:** Proposed water rates would be in line with nearby systems that have completed major upgrades.
 - **Rates Are Cyclical:** Rates are typically higher following major improvements but become more competitive over time as other systems face their own costly upgrades.
 - **Long-Term Benefit:** The improvements position the system for reliable service and more stable rates in the future.
 - **Funding Agency Affordability Criteria:** $MHI * 1.5\% = \$750$
 - Projected water rates remain below the affordability thresholds used by many funding agencies to determine eligibility for additional grants to reduce customer costs.

Thank you!