



Handout – FY2026 Sewer Rates

Sewer Rate Hearing – Town of Orange, MA

May 28, 2025 @ 5:00 PM



WHY IS SEWER RATE INCREASE NEEDED?

- Current FY25 sewer rate is \$12.50/HCF
- Sewer rate not increased since FY2022
- Expenses budget increased 83% from FY2022 to FY2025
- Rates should have been increased by approximately ~16% per year from FY2022 to FY2025
- WWTP Upgrades debt service started in FY2024, as planned
- Retained earnings (savings) balance will be gone if rate is not increased
- Sewer rate must be adjusted for FY2026

WHAT SEWER RATE ALTERNATIVES WERE EVALUATED?

- Fixed-Rate Only (Current Rate Structure), Alternatives #0, #1, #2A and #2B
- Fixed-Rate with Supplemental Fixed-Fee (Hybrid-Rate Structure), Alternatives #3A and #3B
- Minimum Reserve Fund balance (as % of salaries and expenses)
 - 0%, Alternative #0
 - 25%, Alternative #1
 - 50%, Alternatives #2A, #2B, #3A and #3B
- Future debt service from Influent Pump Project (loan repayment late FY2026 or early FY2027)
 - Not included in FY2026, Alternatives #2A and #3A
 - Included in FY2026, Alternatives #2B and #3B

WHICH ALTERNATIVES ARE NOT RECOMMENDED?

- Alternative #0 results in no Reserve Fund balance
- Alternative #1 only results in 25% Reserve Fund balance (likely insufficient per recent DOR comments to Town)
- Alternatives #3A and #3B (Hybrid-Rate Structure)
- Result in highest cost increases for low-water users (i.e. seniors)

WHICH ALTERNATIVES ARE RECOMMENDED?

- Alternatives #2A and #2B (Fixed-Rate Only Structure)
- Result in smallest cost increases for low-water users (i.e. seniors)
- Cost difference between Alternatives #2A and #2B for median sewer user is ~\$3 per month
- ***DPC recommends the Town consider implementing Alternative #2B (\$18.58 per HCF)***



Figure 1
Breakdown of Annual Expenses and Reserve Fund (FY22 through FY26)





Figure 2
Summary of Annual Expenses (FY22 through FY26)

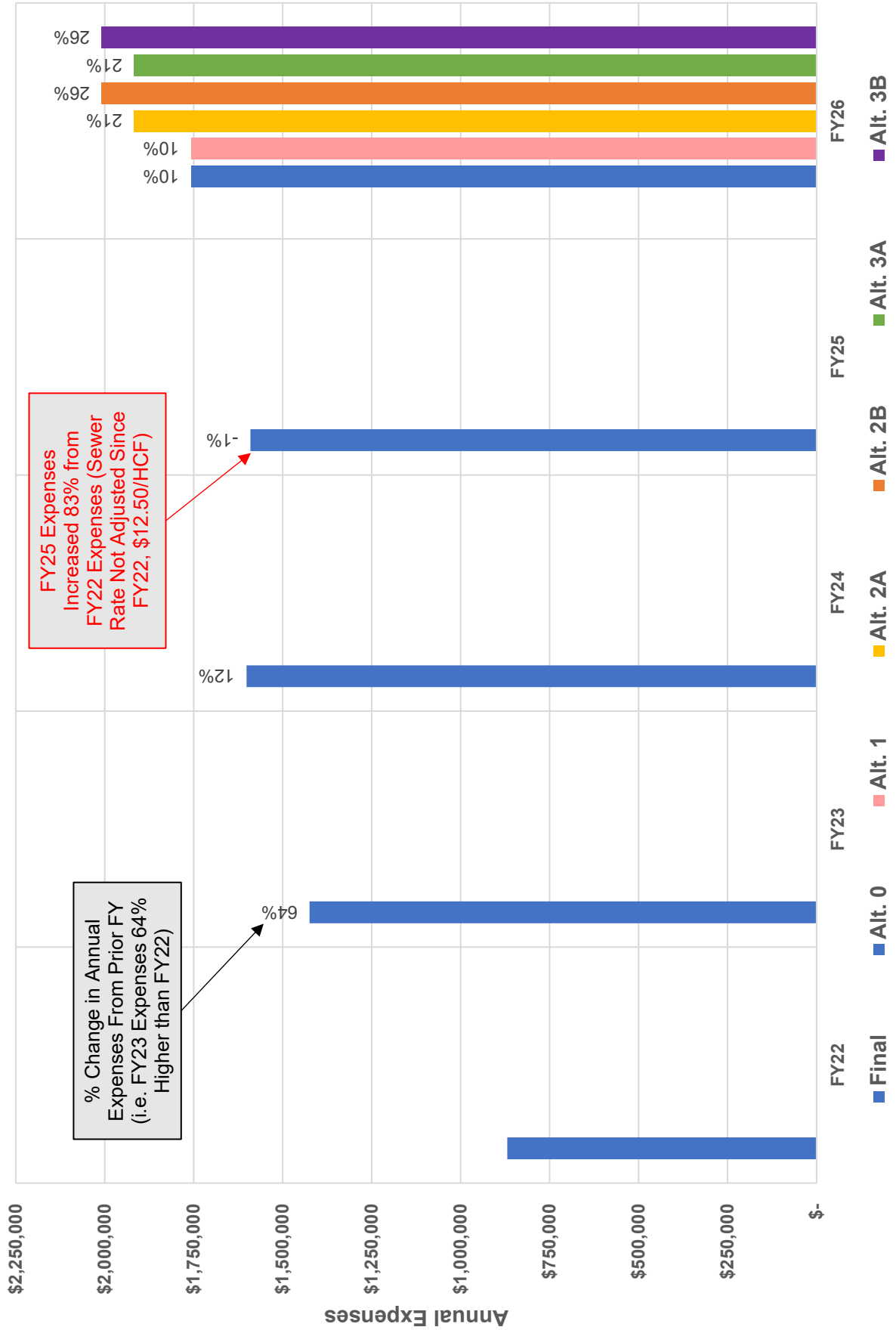


Table 1
Summary of FY2026 Sewer Rate Alternatives
Town of Orange, MA
May 20, 2025



FY2026								
			Alt. #0	Alt. #1	Alt. #2A	Alt. #2B	Alt. #3A	Alt. #3B
		FY2025	0% Reserve, No Fixed-Rate, No New Debt Service	25% Reserve, Fixed-Rate, No New Debt Service	50% Reserve, Fixed-Rate, No New Debt Service	50% Reserve, Fixed-Rate, With New Debt Service	50% Reserve, Hold \$12.50 Fixed-Rate, Add Fixed-Fee per Customer, No New Debt Service	50% Reserve, Hold \$12.50 Fixed-Rate, Add Fixed-Fee per Customer, With New Debt Service
	Annual Budget	\$ 1,590,849	\$ 1,757,162	\$ 1,757,162	\$ 1,917,223	\$ 2,008,282	\$ 1,917,223	\$ 2,008,282
	Assumed Annual Consumption (HCF)	115,823	115,823	115,823	115,823	115,823	115,823	115,823
	Fixed-Rate (\$ per HCF)	\$ 12.50	\$ 12.86	\$ 15.29	\$ 17.72	\$ 18.58	\$ 12.50	\$ 12.50
	Fixed-Fee (\$ per Billing Period per Customer)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111.22	\$ 129.54
25th Percentile	Annual Cost per Customer	\$ 350	\$ 360	\$ 428	\$ 496	\$ 520	\$ 795	\$ 868
	Billing Period Cost per Customer	\$ 88	\$ 90	\$ 107	\$ 124	\$ 130	\$ 199	\$ 217
	Monthly Cost per Customer	\$ 29	\$ 30	\$ 36	\$ 41	\$ 43	\$ 66	\$ 72
	Monthly Cost Increase per Customer	\$ -	\$ 1	\$ 7	\$ 12	\$ 14	\$ 37	\$ 43
	% Change from FY2025	0%	3%	22%	42%	49%	127%	148%
50th Percentile (Median)	Annual Cost per Customer	\$ 625	\$ 643	\$ 765	\$ 886	\$ 929	\$ 1,070	\$ 1,143
	Billing Period Cost per Customer	\$ 156	\$ 161	\$ 191	\$ 222	\$ 232	\$ 267	\$ 286
	Monthly Cost per Customer	\$ 52	\$ 54	\$ 64	\$ 74	\$ 77	\$ 89	\$ 95
	Monthly Cost Increase per Customer	\$ -	\$ 2	\$ 12	\$ 22	\$ 25	\$ 37	\$ 43
	% Change from FY2025	0%	3%	22%	42%	49%	71%	83%
75th Percentile	Annual Cost per Customer	\$ 970	\$ 998	\$ 1,186	\$ 1,375	\$ 1,441	\$ 1,415	\$ 1,488
	Billing Period Cost per Customer	\$ 242	\$ 249	\$ 297	\$ 344	\$ 360	\$ 354	\$ 372
	Monthly Cost per Customer	\$ 81	\$ 83	\$ 99	\$ 115	\$ 120	\$ 118	\$ 124
	Monthly Cost Increase per Customer	\$ -	\$ 2	\$ 18	\$ 34	\$ 39	\$ 37	\$ 43
	% Change from FY2025	0%	3%	22%	42%	49%	46%	53%



Figure 3
Projected FY26 Annual Sewer Costs per User Based on Historical Consumption

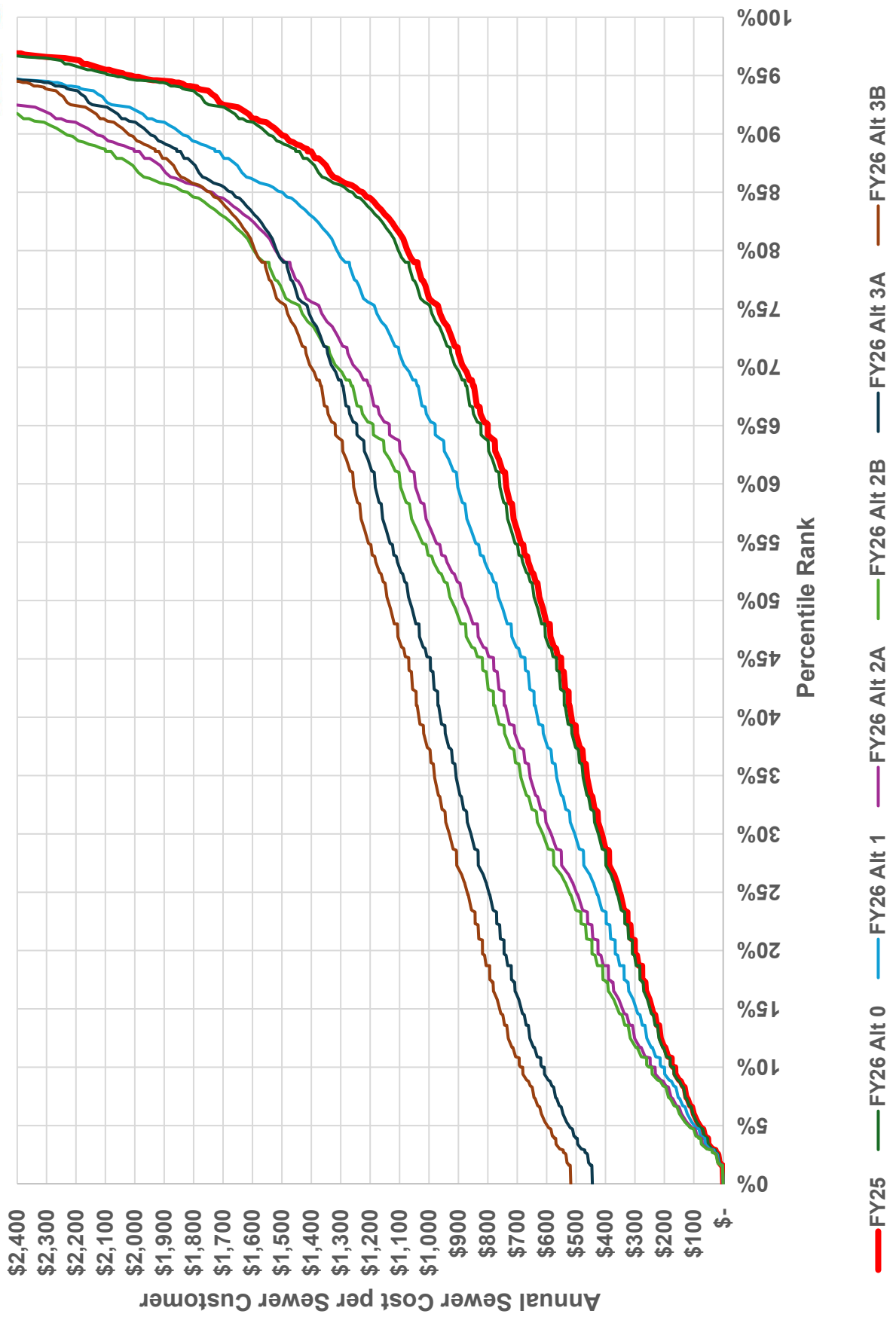




Figure 4
Projected FY26 Monthly Sewer Costs per User Based on Historical Consumption

