

## TOWN OF DAVIDSON

### 2015 WATERWORKS INFORMATION, RATE POLICY AND CAPITAL INVESTMENT STRATEGY

It shall be the objective of the Town of Davidson under the Waterworks Information, Rate Policy and Capital Investment Strategy to:

1. Establish water and sewer rates, whereby revenues exceed operating costs and long term debt payments on a consistent annual basis;
2. Establish water and sewer rates, whereby there will be an annual surplus created which will be transferred into a reserve for future waterworks infrastructure upgrades.

#### 2015 Waterworks Financial Overview

- Total waterworks revenue \$325,932.
- Total waterworks expenditures \$423,681.
- Total payments on waterworks loans N/A
- Comparison of waterworks revenues to expenditures + loan payments expressed as a ratio =

$$\frac{\$ 325,932}{\$ 423,681} = 77\%$$

For 2015 waterworks revenues covered 77% of the waterworks expenditures.

To achieve the Waterworks Rate Policy goal, the Council increased the water rates in 2015. Unfortunately large, unforeseen expenses resulted in a utilities deficit. The current rates are:

- Water and sewer minimum rate is \$25.00 per month, which gives the user 1,000 gallons of water;
- Over 1,000 gallons per month is charged at the rate of \$10.00 per 1,000 gallons or portion thereof.

The waterworks reserve account balance is \$ 4,647.

- In 2015 -
- Sections of sewer main were relined;
  - Sewer mains ( 1/3 of Town ) were cleaned;
  - Our Waterworks System Assessment 3 was completed;
  - Lift station and water plant pumps were repaired/ rebuilt;
  - An approach into the primary lagoon cell was built;
  - Several water main breaks were repaired;
  - A section of storm sewer main was replaced

Additional information on the Town of Davidson's water and sewer utility is available at the Town Office.