

Office Hours: 8:00 a.m. to 5:00 p.m.

Monday through Friday

Customer Service: 203-949-2660

Emergency After Hours: 203-265-5055

377 South Cherry Street

Wallingford, CT 06492

Rate Changes

Study Purpose and Principles

- The Wallingford Water Division established and the Public Utilities Commission approved customer water rates effective for all water invoices rendered on or after July 1, 2024 to meet unavoidable rising expenses to maintain a financially stable and operationally sustainable high quality water system.
- It is noteworthy to mention that the Wallingford Water Division's Basic Service Fee has been unchanged since June 2007 and its consumption charges have remained the same since June 2015.

Enterprise Fund – The Business of Wallingford Water

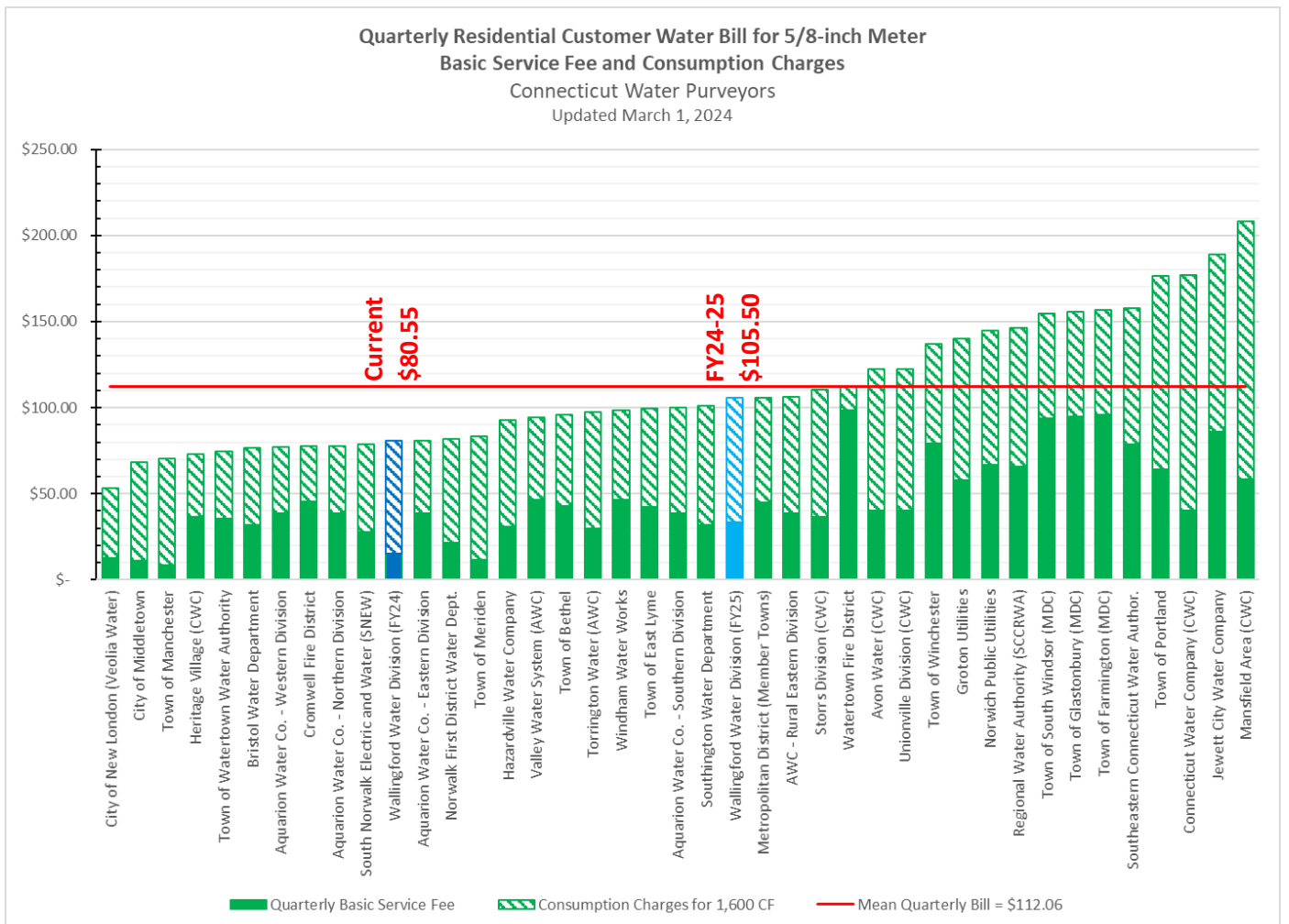
- Management strategy predicated upon the operation of the WWD as a self-supporting, stand alone business.
- All operating and capital costs, as well a debt service, are supported through revenues generated by WWD charges.
 - ✓ Wallingford Water Division finances are not supplemented by any utilization of tax dollars.
 - ✓ An "apples to apples" comparison (of other municipal water utilities) is difficult as revenues generated through tax revenue may be utilized to fund operations (pension obligations, basic service expenses), capital projects or debt service for example.

Financial Model and Rate Study Objectives:

- ✓ The Wallingford Water Division must be financially self-sustaining.
- ✓ Retail water rates shall be sufficient to ensure funding of an appropriate level of proactive system rehabilitation, replacement, and improvement.
- ✓ The WWD shall maintain sufficient reserves to meet the Division's Minimum Cash Reserve Policy to provide for rate stabilization and unplanned expenses.
- ✓ WWD revenue and the strategic utilization of Retained Earnings shall meet the financial needs of the Water Division over time.

Key Rate Study Assumptions:

- ✓ Reasonable escalation in operating costs and capital expenses.
- ✓ Declining water consumption.
- ✓ No growth in the number of customers.

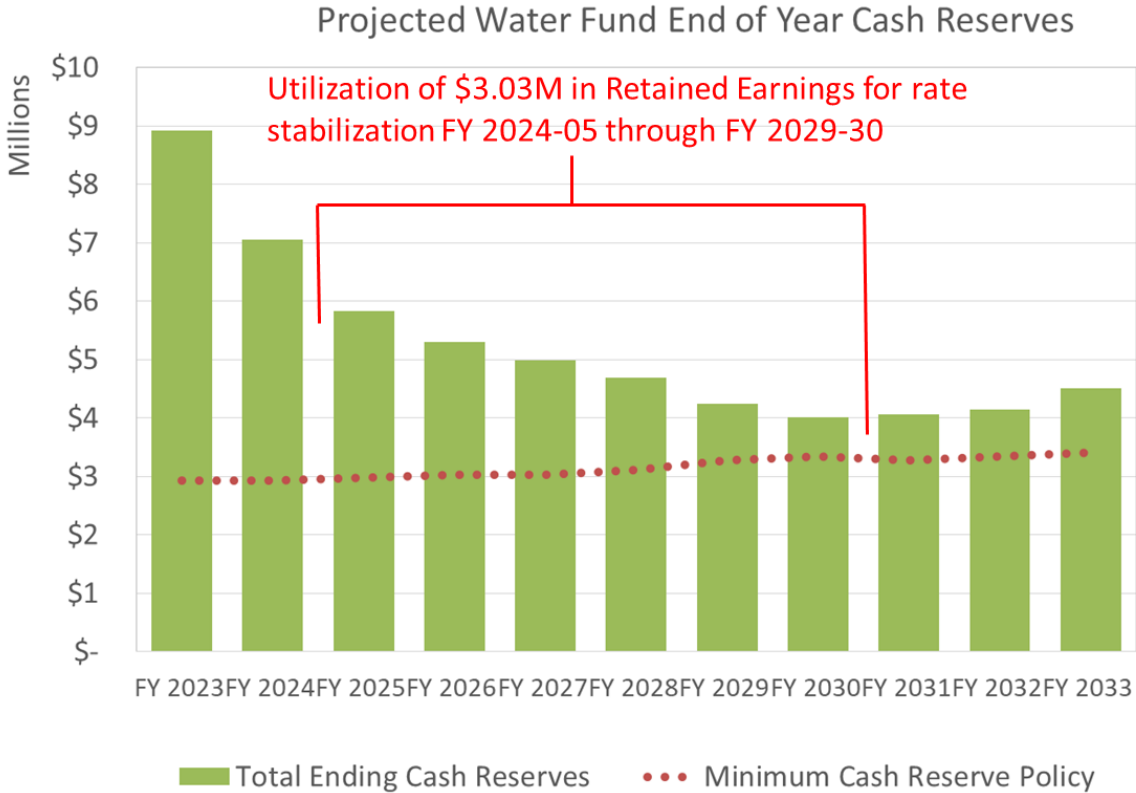


Recommended Minimum Cash Reserve (FY 2023-24):

- ✓ 13 Weeks of O&M expenses: \$1,700,000
- ✓ Outstanding Principal on Debt Service: \$195,000
- ✓ Emergency Reserve: \$1,000,000
- ✓ Current Liabilities: FY Dependent
- ✓ Prior Year Capital Carryover: FY Dependent

Strategic Utilities of Retained Earnings for Rate Stabilization

Expenses will be greater than revenues even after the approved and adopted rate changes for the next six fiscal years as projected via the Water Division Rate Model. For rate stabilization, the Wallingford Water Division will utilize approximately \$3.03 million dollars in Retained Earnings (Cash Reserves) over the next six fiscal years (FY2024-25 to FY2029-30).



All charges of the Water and Sewer Divisions are due by the date indicated on the bill. Interest shall be charged on the first day following the due date of the bill. Interest shall be charged in accordance with the General Statutes of the State of Connecticut on any unpaid water and/or sewer charge balance.

Partial payment shall be applied first to interest charges, then to water and/or sewer charges and lastly to lien charges.

CUSTOMER WATER BILL IMPACTS

	Current	As of 7/1/2024	As of 7/1/2025	As of 7/1/2026	As of 7/1/2027	As of 7/1/2028	As of 7/1/2029
Median Residential: 5/8-inch meter at 1,600 cf per Quarter [12,776 meters; 93.9965%]							
Basic Service Fee	\$15.11	\$33.66	\$34.75	\$35.88	\$37.05	\$38.25	\$39.59
Consumption Cost	\$65.44	\$71.84	\$77.28	\$81.12	\$85.12	\$89.44	\$93.92
Total Quarterly Water Bill	\$80.55	\$105.50	\$112.03	\$117.00	\$122.17	\$127.69	\$133.51
<i>Quarterly change (\$)</i>		\$24.95	\$6.53	\$4.97	\$5.17	\$5.52	\$5.82
Monthly Equivalent for Water	\$26.85	\$35.17	\$37.34	\$39.00	\$40.72	\$42.56	\$44.51

