

## 2024 Sanitary Sewer Fee

The [08] Sewer Fund does not receive any tax-millage and is funded solely through sewer rental and associated fees. Jenkintown Borough has continued to monitor, analyze, and manage the borough sanitary sewer system. The current borough sewer system was constructed one hundred years ago and consists of approximately ten miles of gravity sanitary sewer main, a shared trunk main w/ Abington Twp. and three metered stations at connection points to the Aqua/Cheltenham conveyance system. Our responsibilities do not end at the Borough limits, the Borough is responsible for our share of the Aqua/Cheltenham conveyance system that carries our sewage to Philadelphia as well as our share of the long-term maintenance expenses at the Northeast Philadelphia Water Treatment Plant. The Borough has applied sound management of the system by utilizing State grants that fund 85% of the cost of the sewer main lining projects within the Borough, engaging a Professional Sanitary Sewer Engineer, engaging a Professional Sewer Rate Consultant familiar with Montgomery County and constantly coordinating efforts and just as importantly maintaining a good working relationship with the Professionals both appointed and elected officials in our adjacent Municipalities and pertinent State, Federal and Private agencies.

The Borough's plan of action was set in place with the 2015 Sewer Rate Study allowing the Borough to effectively and incrementally set the sewer rate structure to continue to be less costly to the rate payers while remaining stable enough to rehabilitate/maintain the Borough sewer main system as well as pay sewage treatment costs, the Borough's portion of the Philadelphia treatment plant maintenance costs and the finance cost of the Borough's portion of the downstream conveyance, 'interceptor A' construction.

Sanitary sewer conveyance and sewer treatment like most sectors have faced volatile markets and some Municipalities have experienced precarious situations with their sanitary sewer system of late. While Jenkintown Borough works to insulate our situation from others in some instances, we are undeniably affected as the Borough sewage is conveyed through another Municipality and then treated in the City and both are working through sanitary issues.

The current Jenkintown Borough rate for the average residential usage of 58,000 gallons per year is approximately \$198 and was last set in 2015. Comparatively the rates for the 30 neighboring Municipalities reviewed during these calculations ranged from \$299 (Upper Merion Twp.), \$314 (Abington Twp.), \$325 (Rockledge Borough), to \$818 (Cheltenham Twp.)

Due to situations beyond anyone's control, costs have risen in construction, sewage treatment fees and treatment plant maintenance charges. Calculations show the current rate and structure would not be sufficient to cover the increased costs, fund expenses, restore the fund balance to an acceptable accounting level while preparing for impending construction costs through funding the sewer reserve fund.

Taking all known factors into consideration the best management approach to sustaining the [08] sewer fund is to make the incremental increase defined below, in 2024.

It is proposed to continue the base rate at \$82.50 per account and the usage rate at the current \$3.41 per 1000 gallons. ***The adjustment proposed to the sewer rate structure is to reduce the allowance to 10,000 gallons from the current 24,194 gallons per year.*** By decreasing the allowance to 10,000 gallons, the rate will be more in line with the allowances of other Municipalities that utilize this 3-part fee structure in this comparison, generally in the 6,000-to-

8,000-gallon allowance range. This will allow the Borough to remain at the upper end of the gallon allowance and well below the base rate, usage rates, and the total sewer fee.

The current Jenkintown Borough rate for the average residential usage of 58,000 gallons per year is approx. \$198. ***The proposed Annual Sewer Rate fee beginning in 2024 for the average residential usage of 58,000 gallons per year would be approx. \$245.74. This would be an increase to the average residential usage of 58,000 gallons rate payers annual bill of \$47.74.*** (Rate payers under 10,000 gallons a year would not be affected by this increase and those up to 24,000 would average a \$28 annual increase.)

At this annual sewer rate Jenkintown Borough will remain the least expensive of the 30 Municipalities under comparison by \$53.26 and under the highest two by \$572.26.

2025 and beyond – The 2024 increase will sustain the maintenance and treatment costs as well as expenses from prior construction while preparing for future downstream construction of the Fund. The complete construction costs for the final stage of the downstream construction from Aqua Pennsylvania/Cheltenham and Philadelphia have not been finalized and provided to the Borough at this time. Once those final costs are known the sewer rate study currently being conducted by Keystone Alliance can be completed and submitted to the Borough for evaluation and long-term planning to allow the [08] Sewer Fund to remain appropriately funded for the long-term stability and sustainability of the fund.

Thank you for your attention to this important matter.  
Respectfully submitted.

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Borough Manager  
Jenkintown Borough