

VILLAGE OF FLEISCHMANN'S
How your Sewer Bill was calculated
April 2021 – March 2022

Notice: A thorough review of sewer billings has been conducted by the Village of Fleischmann's in December 2020. This is the first time since 2008 such a review has taken place. This review has led to numerous changes on some sewer bills based on property codes and usage of the property. If your bill has changed significantly and you would like clarification or more information please contact the Village of Fleischmann's Clerk. If an owner wishes to initiate a property code change please contact the Town of Middletown Assessor's Office.

Every property designated to be connected to the wastewater treatment plant was assessed as residential usage, non-residential usage, or mixed usage (residential/non-residential) as per the Operation and Maintenance Agreement between the Village of Fleischmann's and New York City Department of Environmental Protection.

Based on the individual assessments, each property was assigned Residential EDU (Equivalent Dwelling Unit) for residential usage, Non-Residential EDU for non-residential usage or a combination of Residential EDU and Non-Residential EDU for mixed usage. **Property Classification of Res (Residential), Non-Res (Non-residential), or Non-Res/Res (Mixed usage) appears on your bill.**

In the case of residential usage, each living unit was assigned one Residential EDU. In the case of non-residential usage, estimated flows were calculated using accepted engineering standards and/or annual water usage. Non-residential EDUs were assigned at the rate of 300 gallons per EDU. Mixed use properties were assigned Residential EDUs and Non-Residential EDUs accordingly. **Assigned numbers of Residential and Non-residential EDU appear on your bill.**

Each property was also assigned a User Account according to the Local Sewer Use Law adopted in September 2004. Each residential unit and each non-residential unit is considered as a User Account. **Assigned number of User Accounts appears on your bill.**

Working with Cedarwood Environmental Services (formerly named Delaware Operations, Inc.), the contract operator of the plant, an Operation and Maintenance Budget was developed, submitted and approved by NYC Department of Environmental Protection. The total operating budget for the sixteenth year of operations is \$479,489.00, with \$476,989.00 of that amount being DEP Eligible. As per the Operation and Maintenance Agreement with New York City, the City is 100% responsible for the portion of cost required to meet the NYC watershed regulations, which is \$106,364.90 for the sixteenth year of operation. This leaves \$370,624.10 as the Annual Local Operation and Maintenance Costs for the Village prior to the Residential Subsidy and Commercial offset from New York City.

As per the Local Sewer Law, the remaining \$370,624.10 of the budget was determined to be either a fixed cost or a variable cost.

A Fixed Cost consists of those portions of the Annual Local Operation and Maintenance Costs that do not substantially vary with the amount of flow into the wastewater treatment plant. Examples of fixed costs are insurance, building maintenance, lab testing, lab supplies, maintenance contract, and fuel oil. The fixed costs were determined to be \$290,337.00. The fixed cost charge was determined by dividing the total fixed cost (\$290,337.00) by the total number of separate and distinct User Accounts (370) for a rate of \$784.69 per User account (before DEP subsidies) and a **rate of \$592.14 per User account (after DEP subsidies).**

A Variable Cost consists of those portions of the Annual Local Operation and Maintenance Costs that vary substantially with the amount of flow into the wastewater treatment plant. Examples of variable cost are chemicals, maintenance supplies, and electric. The variable costs were determined to be \$186,652.00. The variable cost charge was determined by dividing the total variable cost (\$186,652.00) by the total number of EDUs (both Residential and Non-residential) (376) for a rate of \$496.41 per EDU (before DEP subsidies) and a **rate of \$403.01 per EDU (after DEP subsidies).**

In the O&M agreement with New York City, the owner's cost for a residential unit was capped at \$100.00 for the first three years (2007, 2008, and 2009) of operations. In subsequent years, the residential unit cap will increase by the average of the last three (3) years Consumer Price Index (CPI).

For 2010, the CPI was 3.3% which increased the residential unit cap from \$100.00 to \$103.30.
For 2011, the CPI was 2.1% which increased the residential unit cap from \$103.30 to \$105.47.
For 2012, the CPI was 1.7% which increased the residential unit cap from \$105.47 to \$107.26
For 2013, the CPI was 1.5% which increased the residential unit cap from \$107.26 to \$108.87.
For 2014, the CPI was 2.3% which increased the residential unit cap from \$108.87 to \$111.36.
For 2015, the CPI was 2.3% which increased the residential unit cap from \$111.36 to \$113.92.
For 2016, the CPI was 1.7% which increased the residential unit cap from \$113.92 to \$115.86.
For 2017, the CPI was 1.1% which increased the residential unit cap from \$115.86 to \$117.13.
For 2018, the CPI was 1.1% which increased the residential unit cap from \$117.13 to \$118.30.
For 2019, the CPI was 1.2% which increased the residential unit cap from \$118.30 to \$119.72
For 2020, the CPI was 1.9% which increased the residential unit cap from \$119.72 to \$122.00
For 2021, the CPI was 2.1% which increased the residential unit cap from \$122.00 to \$124.56.

Using the cost formulation in the Local Sewer Use Law, the actual cost for a residential unit would be 1 Residential EDU times \$403.01 plus 1 User Account times \$592.14 or \$995.15. With the cap of \$124.56 the **residential subsidy paid** by New York City is **\$870.59 per residential EDU per year.**

In the O&M agreement with New York City, the City provides for a Non-residential Offset of \$10,000 which is to be shared with the non-residential properties. The **non-residential offset** was calculated by dividing \$10,000 by the total number of non-residential EDUs (52) or **\$192.31 per non-residential EDU per year.**

Using all this information which appears on your bill, your yearly sewer invoice (levied on your taxes) was calculated as follows:

Residential Sewer Charge = (Total number of Residential EDU times Variable Cost per EDU plus Total number of Residential EDU [Residential EDU = User Account] times the Fixed Cost per User Account).

Non-Residential Charge = (Total number of Non-Residential EDU times Variable Cost per EDU plus (Total number of User Accounts minus Total number of Residential EDU) times the Fixed Cost per User Account).

Residential Subsidy = (Total number of Residential EDU times Residential Subsidy). This will be a credit.

Non-residential Offset = (Total number of Non-residential EDU times Non-residential offset). This will be a credit.

In summary:

The Total Operating budget for the Wastewater Treatment Plant for 2021-2022 is \$479,489.00.

New York City is responsible for \$398,436.52 of the \$479,489.00, which is \$106,364.90 (regulatory cost) plus \$282,071.62 (residential subsidy) plus \$10,000 (non-residential subsidy) or 83.10%

The Village is responsible for \$81,052.48 of the \$479,489.00 or 16.90%.