

# HULL PERMANENT SEWER COMMISSION

## HULL SEWER ENTERPRISE FUND SECONDARY REVENUE ALLOCATION POLICY

**Purpose:** To provide for a method to utilize revenues derived from sources other than sewer user rates as defined in the Sewer Enterprise Fund Rate Structure Policy for the benefit of sewer accounts located within the town of Hull.

### Definitions:

User Rate means that portion of the total wastewater fiscal year budget, which is levied in a proportional and adequate manner for the cost of operation, maintenance, and replacement of the wastewater treatment works

100-cuft unit is the basic volume measurement in assessing sewer charges. A single 100-cuft unit equals 100 cubic feet of water or wastewater and is equal to 748 US Gallons.

Secondary Revenue sources: Funds derived from sources other than sewer user rates. These sources include but are not limited to, revenues from Leachate, permit fees, retained earnings, and interest on accounts.

Secondary Revenue Allocation: The Commission retains the authority to determine the secondary revenue allocation at its discretion. This may coincide with the setting of the user rate or it may be set or changed due to other circumstances determined by the Commission to be pertinent. The Commission may choose to utilize all or some of the revenue sources available. The setting or change to the allocation requires a majority vote of the Commission at a posted meeting.

To determine the secondary revenue allocation the following steps are undertaken.

Determine the total amount of estimated secondary revenue to be utilized.

Determine the amount of estimated Hull flow in 100-cuft units for the fiscal budget year under discussion.

Divide the estimated number of 100-cuft units of flow into the determined available secondary revenue. This produces the amount of secondary revenue applied per 100-cuft unit to the sewer user rate per 100-cuft for sewer accounts locate within the town of Hull.

The Hull Sewer Commission retains the authority to alter or make changes to this policy by majority vote of the Commission at a posted meeting.

Adopted by vote of the Hull Permanent Sewer Commission, April 28, 2008. Motion by John Struzziery, second by Jack Kelly. Voting affirmative, Jack Kelly, Steve Bellinghausen, John Struzziery, Lou Collins, and Bob McCready. Unanimous vote.

Date, 4-28-08

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### Attachment 1

This example is provided only for illustrative purposes. The flow and dollar amounts are abstracted.

Example of calculation:

The estimated amount of revenue is \$500,000  
The Hull estimated flow is 350,000 100-cuft units.

$$\begin{array}{r} \text{Revenue } \$500,000 \\ \text{-----} \\ \text{Est. Flow } 350,000 \text{ 100-cuft units} \end{array} = \$1.428 \text{ per 100-cuft unit (say } \$1.43)$$

To determine the effect on the User rate for sewer accounts within the town of Hull, subtract the amount of the secondary revenue allocated per 100 cuft unit, from the User rate, this will produce the adjusted rate.

Example of calculation.

User rate per 100-cuft unit		\$4.00
Secondary revenue per 100-cuft unit	-	<u>\$1.43</u>
Adjusted Hull User rate per 100 cuft		\$2.57

This is the rate charged accounts located within the Town of Hull per 100-cuft unit.