



# Water and Sewer Rate Increases

Effective July 1, 2022

The Hillsborough Board of Commissioners approved water and sewer rate increases on June 13, with the adoption of the Fiscal Year 2022-23 budget.

The town also reduced the minimum use for water and sewer service, charging now for a minimum of 2,250 gallons to cover fixed costs for the service. Average residential utility use is 3,050 gallons monthly.

## Water rates

**In-town:** \$10.12 per 1,000 gallons → 44-cent increase per month (previous rate: \$9.68)  
\$22.77 minimum fee → 22-cent reduction per month (previous minimum: \$22.99)  
Per-gallon cost → Approximately 1 cent

**Out-of-town:** \$19.72 per 1,000 gallons → 85-cent increase per month (previous rate: \$18.87)  
\$44.37 minimum fee → 45-cent reduction per month (previous minimum: \$44.82)  
Per-gallon cost → Approximately 2 cents

## Sewer rates

**In-town:** \$14.24 per 1,000 gallons → 28-cent increase per month (previous rate: \$13.96)  
\$32.04 minimum fee → \$1.12 reduction per month (previous minimum: \$33.16)  
Per gallon cost → Approximately 1 cent at the average use of 3,610 gallons.

**Out-of-town:** \$27.76 per 1,000 gallons → 54-cent increase per month (previous rate: \$27.22)  
\$62.46 minimum fee → \$2.19 reduction per month (previous minimum: \$64.65)  
Per-gallon cost → Approximately 3 cents

## Primary reasons

- **Inflation** — Rising costs for items such as fuel, chemicals, labor and maintenance equipment must be funded to continue utility operations.
- **Uncertainty of grant funds**— While the town's budget has built in some assumed competitive grant revenues for capital improvements, there is no guarantee of receiving those funds. The value of competitive grant funds in the capital improvement plans is \$5.8 million.
- **Personnel expansion** — Two new positions to meet growing maintenance and repair needs of utility system. Estimated \$157,610.
- **Decreased use of non-recurring revenues to balance the budget** — The town must minimize use of savings to responsibly maintain the water and sewer system, maintain the AA rating for bonds sold to expand the reservoir, and plan for unexpected costs. The Capital Improvement Plan is expected to utilize over \$6.5 million in saved development fees over five years, depleting a large portion of those savings.

## Completed projects

The town continues to pay annual debt service on two major capital projects completed in previous years — the West Fork Eno Reservoir expansion and the Wastewater Treatment Plant upgrade. Debt service payments for these two projects will total \$1.99 million in Fiscal Year 2022-23.

## More information

Revenues generated from water and sewer rates assist in funding the operation, maintenance and improvements of the Hillsborough water and sewer system. The town does not make a profit from providing utility services nor does it use the revenue for other purposes. For more information, see:

- [Frequently asked questions](#).
- [Contact us](#) page to reach the town board, staff or Water and Sewer Advisory Committee.