

SEPTAGE RATE –

August 22, 2017

During the Infrastructure Committee meeting on August 10th I was asked to look into our Septage receiving rate to see if it should be adjusted.

I have contacted 27 wastewater facilities and compiled the cost per gallon along with distance to each facility that the hauler would have to travel (Results attached).

- **On October 2005 we adjusted our septage rate from 6.5 cents per gallon to 9.0 cents per gallon (letter to Bill Finger attached).**
- **During that period of time our budget was has gone from \$2,022,000 (2005/2006) to 2,862,514 (2016/2017) which represents a 41% increase.**

I selected two different ways to look at the possibility of a rate increase:

1. **Cost Increase from FY 05/06 budget to the FY 16/17 budget (41% Increase).**
If we adjusted our rate of 9 cents by 41% the rate would go to 12.69 cents. **12.5 cents per gallon.**
2. **What the Market would accept.** The closest facilities that would be able to receive the amount of septage we receive are Rutland, Shelburne and South Burlington.
 - Shelburne is 27 miles away. If I assume a cost of \$1.45 per mile this adds \$39.15 to the hauler (one way cost). This shows a potential for a rate increase of 1.95 cents per gallon to bring our total to 10.95 cents. **11 cents per gallon.**
 - Rutland and South Burlington are 35 miles away. If I assume a cost of \$1.45 per mile this adds \$50.75 to the hauler (one way cost). This shows a potential for a rate increase of 2.55 cents per gallon to bring our total to 11.55 cents. **11.5 cents per gallon**

We accept and treat approximately 2,000,000 gallons of septage per year. With an increase our revenue would increase by:

2.0 cents = \$40,000

2.5 cents = \$50,000

My recommendation would be to move the septage rates from 9 to 11 cents per gallon. And to also move the Field Days rate from 3 cents per gallon to 4 cents per gallon. Effective date would be October 1st, 2017.

Bob Wells, Wastewater Superintendent

SEPTAGE RATES

Town	Rate per gallon Septage (cents)	Rate per gallon Gray water	Porta-Poti	Rate per gallon Sludge	Rate per gallon Leachate
Middlebury	\$0.09		\$0.09		
Orwell 31 Min/20 Miles	-		\$0.075		
Shelburne 38 Min/27 Miles	\$0.06				
Castleton 500 -1,200 gallons 48 Min/32 Miles	\$0.24- \$0.10***				
Castleton 1,200-2,500 gallons	\$0.21 - \$0.10***				
Castleton 2,500-4,000 gallons	\$0.16 - \$0.10***				
Richmond 52 Min/36 Miles	\$0.05	\$0.015			
So. Burlington 54 Min/35 Miles	\$0.055				
Rutland City 54 Min/35 Miles	\$0.06			\$0.07	
Burlington 56 Min/35 Miles	\$0.08				
Essex Jct 1Hr 5 Min/40 Miles	\$0.095	\$0.20			
Milton 1 Hr 15 Min/50 Miles	\$0.065				
Montpelier 1Hr 20 Min/55 Miles	\$0.06			\$0.09 - \$0.30*	\$0.0489 - \$0.1350 **

Town	Rate per gallon Septage (cents)	Rate per gallon Gray water	Porta-Poti	Rate per gallon Sludge	Rate per gallon Leachate
St. Albans 1 Hr 25 Min/65 Miles	\$0.085	\$0.025			
Springfield 1 Hr 50 Min/75 Miles	\$0.10				
Bellows Falls 2 Hr 5 Min/ 85 Miles	\$0.11				
St. Johnsbury 2 Hr 20 Min/105 Miles	\$0.10				
Brattleboro 2 Hr 25 Min/110 Miles	\$0.080				
Newport 2 Hr 35 Min/115 Miles	\$0.12				
Whitingham 2 Hr 40 Min/120 Miles	\$0.18				
Hartford 2 Hr 35 Min/ 65 Miles	\$0.106				
Hartford (Out of Town)	\$0.145				
Bennington 2 Hrs/90 Miles	\$0.186				
Canaan 3 Hr 35 Min/170 Miles	\$0.11				

* Price varies depending upon solids concentration of the sludge

** Price varies depending upon BOD concentration of the Leachate

*** Castleton Charges \$120 for loads from 500-1200 gallons, \$250 for loads from 1200-2500 and 400 for loads from 2,500 - 4,000

Also contacted Fair Haven, Brandon, Barre, Randolph, Poultney and Troy/Jay. None take septage. Attempts to contact Windsor were not returned.

To: Bill Finger, Town Manager
From: Bob Wells, Wastewater Superintendent
Re: Septage rates

Date: August 2, 2005

Bill,

Starting in July 2005 the state of Vermont imposed a tax of 2.5 cents per gallon on septage and a tax of \$6 per wet ton of sludge (approximately 2.5 cents per gallon) that goes to an incinerator or landfill. This is effective if the incinerator or landfill is in state or out of state.

The reason for the tax was to encourage haulers and treatment plants to send septage and biosolids to recycling facilities like Middlebury, Rutland (sludge used as daily cover for land fills which doesn't get taxed) or Castleton which land applies.

The septage haulers received written notice by the state around the 17th of July which stated that the tax would start on July 1st, 2005 (yuk, yuk).

Neither one of these taxes would effect Middlebury Wastewater as all of our biosolids go out as either Class A or to a composting facility in Canada.

A majority of septage from Rutland County and a portion of the septage that Clarks Septic handles is transported to Glens Falls for incineration. This would be taxed.

If we look at this tax as an increase in the fees that Glens Falls is charging that would mean we should be able to increase our revenues on septage receiving by increasing our rate from 6.5 cents per gallon to 9 cents per gallon for handling the septage.

I have contacted a number of wastewater facilities and the concurrent theme is that they will be raising their rates by 2.5 cents per gallon for disposal of septage. The plants rates are as follow;

Rutland - 7 cents raising to 9.5 cents
Castleton – 7 cents raising to 9.5 cents
Shelburne – 5.5 cents raising to 6 cents

Fair Haven – don't receive septage
Poultney – don't receive septage
Brandon – don't receive septage
Vergennes – don't receive septage

Here are our options;

- Leave rates as they are. Clark will then bring in the approximately 225,000 gallons of septage that he was bringing to Glens Falls and we would make approximately \$14,625 more than last year.
- Raise rates by 2.5 cents per gallon. This would move the rate up on all the haulers which would cause Clark to start going back to Glens Falls but only with what he was hauling to Glens Falls as before. If we did raise the rate we would see an increase of approximately \$42,000 and would not be handling the additional septage. I would propose this one (duh!).

The state of Vermont did not make any friends with this move. But they will along with a few number of facilities make some money. This in the end will reflect in a cost increase to all homeowners who have septic tanks.

The state of Vermont says they support recycle/reuse as in biosolids. Their answer is to tax it and the haulers or wastewater plants will then be forced on a financial basis to seek recycling alternatives which are nonexistent. They showed the stick (tax) but not the carrot (alternatives).

Two final notes I would like to add. If we raise the rate it will then create a level playing field for all the septic haulers. Point in case would be Doran Brothers who haul from the Fair Haven area. His only sizeable place for disposal is Glens Falls. If he has to raise his rate but, the other smaller haulers don't because they haul limited amounts to Castleton and Rutland this will create an unfair advantage upon Doran Brothers.

And finally, by raising our rates we move all the biosolids back to where they were going before. This will be a message to the State that what they have just done does not meet their objective and that they should look at raising grant money limits for alternative to biosolids and septage disposal.

I presume you will want to share this with the board before you tell me in which direction to move.

If there is more information you will need, please do not hesitate to contact me.

Sincerely,

Robert Wells
CC: Dan Werner, Director of Operations