



To: Finance Committee

From: Brooke L. Neve, Assistant Township Manager/Finance Director

Date: February 21, 2020

SUBJECT: Towamencin Township Sewer Rental revenue – UGT Diversion Project

Background:

Upper Gwynedd Township is working on a diversion project that will reduce flows to Towamencin Township and in turn reduce sewer rental revenue as the billing to Upper Gwynedd will be reduced. The project is scheduled to be completed by the end of 2020 with 280 homes still flowing to Towamencin.

Considerations:

2020 Billing:

Total EDUs as of 1/1/2020	4,027
EDU Rate	<u>\$ 375</u>
Dollars	\$1,510,125
Treatment Factor	<u>75%</u>
2020 Annual Sewer Revenue	\$1,132,594

2021 Billing:

Total EDUs as of 1/1/2021	280
EDU Rate	<u>\$ 375</u>
Dollars	\$ 105,000
Treatment Factor	<u>75%</u>
2021 Annual Sewer Revenue	\$ 78,750

Potential LOSS in sewer revenue annually: \$1,053,844