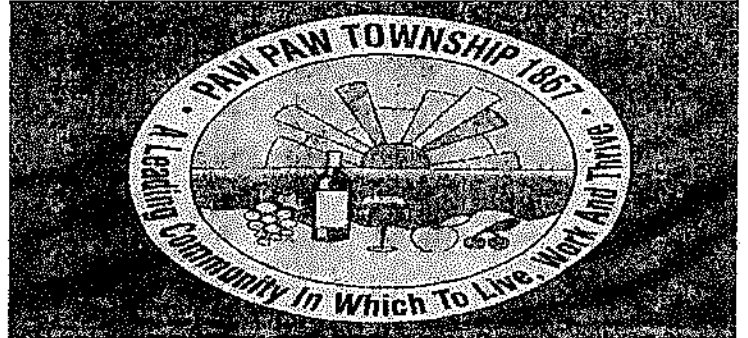


Paw Paw Township

Explanation of Sewer Rates

Sewer utilities in Paw Paw Township must operate as a self-supporting enterprise, akin to a municipal business.

This means that enough revenues must be collected from customers sufficient to cover the costs of the enterprise. Losses in the sewer utilities should not be subsidized from other township revenues (like property taxes), nor should profits be used in other township functions.



In Paw Paw Township, the systems are aging. They cover a lot of area and service a relatively small number of customers that must share the burden of the costs. The sewer system is run with a flat rate fee per household. The system is not metered by each household.

Comparable municipal sewer system cost is in line with what Paw Paw Township charges and some have higher rates. Cost is dependent on operating cost and number of customers. All sewage of Paw Paw Township is processed through the Village of Paw Paw's treatment facility. The cost of treatment is charged to the Township by the Village.

Regular increases are needed to keep the system operating and operating with a self-supporting revenue. Without rate increases, there will be insufficient funds to cover costs and the sewer enterprise will continue losing money.

The costs associated with sewer utilities include four components:

- Operating expenses: labor, electricity, fuel, supplies and chemicals.
- Treatment of waste by the Village of Paw Paw's treatment facility.
- Capital projects for refurbishing or replacing some of the infrastructure.
- Contribution to capital reserves for future infrastructure needs, (planned or emergency)