Town of Kingfield

Wastewater Rates: 2026–2027 Budget Fact Sheet

This informational handout explains recent adjustments to town wastewater utility rates, the structural budget deficit, and the state-mandated guidelines used to calculate residential billing.

1. Why Are Wastewater Rates Increasing?

The town must cover a structural budget gap of **$32,500.00**. This deficit is driven by two specific fiscal changes:

- **Removal of the Roll-Forward Subsidy**: A $20,000.00 one-time surplus from last year was removed to prevent future deficits.
- **TIF Revenue Phase-Out**: A planned step-down of Tax Increment Financing (TIF) support shifted $12,500.00 from economic funding back onto the system's users.
- **Commercial Losses**: The town lost $2,584.00 in commercial revenue due to the sale of 368/369 Main Street to Hammond Lumber, alongside several downtown properties reclassifying from commercial to residential status.

To bridge this total gap, the Selectboard updated the system budget to **$183,350.00**.

2. How Are Rates Split Between Users?

Following guidelines from the Maine Rural Water Association (MRWA), the budget is allocated using a 3-year rolling average of actual water usage (2023–2025). The data establishes that commercial entities use **53%** of the system's water, while residential properties use **47%**.

Total Required Town Budget: $183,350.00

Commercial Target (53%): $97,175.50

Residential Target (47%): $86,174.50

3. New Rate Structure Summary

Residential Customers (EDU System)

Residential properties are billed per **Equivalent Dwelling Unit (EDU)**.

- **New Rate**: Rises from $80.50 to **$96.00 per EDU per quarter**.
- **Annual Impact**: An increase of **$62.00 per year** for a standard 1-EDU home.

Commercial Customers (Hybrid Model)

Commercial billing combines a flat operational fee with water consumption metrics.

- **Base Fee**: Holds steady at **$250.00 flat per quarter**.
- **Volumetric Rate**: Increases by $1.60, shifting from $1.50 to **$3.10 per 1,000 gallons per quarter**.
- **Sample Impact**: A business using 5,000 gallons of water per quarter will see its bill rise from $257.50 to **$265.50 quarterly** ($1,062.00 annually).

4. Understanding Residential EDUs and "Vacant Rooms"

Many residents wonder why empty bedrooms or converted home offices still incur wastewater charges. The town operates under rigid regulatory guidelines established during the system's construction:

- **The DEP Maximum Flow Rule**: The Maine Department of Environmental Protection (DEP) mandates that billing must be based on a property's *maximum design flow capacity*—the peak discharge it is structurally built to produce—rather than daily water meter changes.
- **Legal Definition of a Bedroom**: Under state code, a bedroom requires an entrance door, space for a bed, a heating or cooling element, and access to natural air and light (like a window).
- **Closets Are Not Required**: In older historic homes, built-in closets were rarely constructed. Standard floor space meant for bureaus or wardrobes fulfills clothing storage requirements under state rules.
- **Reversibility**: Because an office or vacant room can quickly be changed back into an occupied bedroom, its legal engineering capacity remains tied to the property's real estate record and original septic/sewer intent.

5. Example (2.5 EDUs)

For local properties with an original 4-bedroom structure layout, engineering metrics assign a **2.5 EDU rating** (designed for a maximum capacity of 450 gallons per day).

- **Previous Proposal Cost**: $187.50 per quarter / $750.00 yearly
- **Adopted 2026 Budget Cost**: **$240.00 per quarter / $960.00 yearly**
- **Net Adjustment**: An increase of **+$52.50 per quarter** (+$210.00 annually).

Q&A: Understanding the 2026–2027 Wastewater Rate Adjustments

Q1: Why are my wastewater rates going up if the town budget didn't grow?

A: Even though the core wastewater operating budget remains the same as last year, the town lost **$32,500.00** in outside funding sources that previously subsidized user bills. The Selectboard had to remove a **$20,000.00 roll-forward surplus** to stabilize long-term finances and enact a planned **$12,500.00 step-down in TIF (Tax Increment Financing) revenues**. Ratepayers must now make up this $32,500.00 gap to keep the utility functional.

Q2: What is an EDU, and why does the town use it for residential billing instead of water meters?

A: EDU stands for **Equivalent Dwelling Unit**. Following suggestions from the Maine Rural Water Association (MRWA), the town bills residential properties uniformly per unit because residential waste strength and infrastructure impacts are highly predictable per household. Commercial properties, which have highly volatile water demands, are billed on a variable gallon-by-gallon usage metric.

Q3: Why is my empty spare bedroom or home office being billed as a bedroom?

A: Under Maine Department of Environmental Protection (DEP) regulations, wastewater system billing must be based on **maximum design flows**—the peak volume of wastewater a building is structurally capable of producing on any given day. Because an office, sewing room, or empty bedroom can easily be converted back into an active bedroom by current or future occupants, the physical capacity of the structure dictates the rate, not day-to-day occupancy.

Q4: My spare room doesn't even have a closet. How can the town legally count it as a bedroom?

A: State building and wastewater codes do not require a built-in closet for a room to be classified legally as a bedroom. In older homes, closets were rarely built because residents used standalone furniture like wardrobes, dressers, and bureaus. Under official guidelines, a bedroom only needs an entrance door, space for a bed, a source of heat/cooling, and a window to let in natural light and air.

Q5: How much more will I pay under the updated May 2026 rate plan?

A:

- **Residential properties** will see rates change from $80.50 per quarter to **$96.00 per quarter per EDU**. For a standard 1-EDU home, this is a **$15.50 quarterly increase** ($62.00 more per year).
- **Commercial properties** will keep their **$250.00 quarterly base fee**, but the usage rate increases from $1.50 to **$3.10 per 1,000 gallons**. A business using 5,000 gallons per quarter will experience an **$8.00 quarterly increase** ($32.00 more per year).

Q6: How exactly does this impact the 4-bedroom layout?

A: The property holds a historical engineering profile of **2.5 EDUs** (based on a 4-bedroom max capacity rating of 450 gallons per day). Under the newly adopted rate of $96.00/EDU, the quarterly bill moves to **$240.00** ($960.00 annually). This represents an increase of **$52.50 per quarter** (+$210.00 annually) compared to the initial $75.00 proposal.

Q7: Did the town lose commercial revenue recently?

A: Yes. Commercial system revenues dropped due to the sale of 368/369 Main Street to Hammond Lumber Company, which resulted in a **$2,584.00 loss** in commercial utility billing. Additionally, several commercial spaces—such as the Kim Roberts apartments—were converted back into residential properties, shrinking the commercial base and shifting more of the system's cost allocation to residential users.