



TILTON-NORTHFIELD WATER DISTRICT

2020 Water Rate Study Report

Final Report / October 15, 2019

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October 15, 2019

Mr. John Chase
Superintendent
Tilton-Northfield Water District
14 Academy Street
Tilton, NH 03276

Subject: Final 2020 Water Rate Study Report

Dear Mr. Chase,

Raftelis is pleased to present this report describing the assumptions and findings of our Water Rate Study (Study) performed for the Tilton-Northfield Water District (TNWD or District). Over the past several months, we have worked closely with the District and its engineering firm, Stantec, on completing this engagement. We would like to take this opportunity to thank you, your staff, the Commission, and Stantec for the efforts and participation put forth during the Study.

The major objectives of the Study included the following:

- » Develop a sustainable financial plan to ensure financial sufficiency, meet operation and maintenance (O&M) costs, ensure sufficient funding for capital renewal and replacement (R&R) needs, and mitigate any resulting rate shock on the District's customers;
- » Review the District's existing rate revenue stream and make recommendations for across-the-board rate increases necessary to fully support the financial plan; and
- » Review the District's new service line fees.

This report summarizes the key assumptions, findings and recommendations related to the development of the financial plan and corresponding rate increases and fee modifications. It has been a pleasure working with you, and we thank you and the District for the support provided over the course of the Study.

Sincerely,

RAFTELIS FINANCIAL CONSULTANTS, INC.

A handwritten signature in black ink, appearing to read 'Dave Fox', with a stylized flourish at the end.

Dave Fox
Manager

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1. INTRODUCTION

Raftelis was engaged by the Tilton-Northfield Water District (TNWD or District) to perform a water rate study (Study) for a five-year forecast period beginning in fiscal year (FY) 2020. This report summarizes the Study and recommends rate adjustments to address the District's financial objectives.

1.1 SCOPE OF SERVICES

Raftelis was retained by the District in the spring of 2019 to perform a Water Rate Study. The main goals of this Study were to assess the appropriateness of the District's current water rates in comparison to the District's financial objectives and to develop a forecast of water rates and charges to fund current and future operating and capital needs. The District also requested that Raftelis analyze its existing system development charges to determine if the current methodology for these charges is appropriate.

Raftelis held kick-off meetings with District Staff for the Study in March and May of 2019 to identify the primary objectives and financial goals for the water utility. During this meeting, and in subsequent discussions, the following objectives were identified:

- » Evaluate revenue sufficiency and recommend rates that recover the necessary revenues to meet existing and future operating and capital revenue requirements;
- » Evaluate the cost recovery equity of the District's existing rates and make recommendations for improvements; and
- » Provide a user-friendly financial planning and rate model, designed for continuous use by District Staff.

Raftelis has developed a financial planning and rate model to forecast annual revenue requirements, customer demand, rates, and system revenues over a five-year planning period. The model provides a module for analyzing the District's current financial position and the future impacts of the recommended program of rate adjustments to the system and its customers.

1.2 RATE STUDY PROCESS

Raftelis utilizes a systematic approach for rate setting, which was tailored to the District's goals and objectives. The first step in the rate setting process was the identification of pricing objectives, which occurred during a project kick-off meeting with District Staff. During this meeting, Raftelis also discussed the advantages and disadvantages of the District's current rate structure, as well as potential rate structure modifications. This allowed Raftelis to identify rate adjustments that address as many of the District's objectives as possible and that were the most applicable to the District's current operation and customer characteristics.

The next step in the rate setting process was the development of a financial plan, which summarizes the revenue requirements and projected revenues for the five-year planning period. The financial plan projects revenue shortfalls under the District's existing rates and indicates the additional level of revenues necessary to support the projected revenue requirements.

Revenue requirements include all operations and maintenance (O&M) costs, capital costs (including debt service payments and other cash funded capital), and any other need for purposes of maintaining financial

viability. The methodology for determining the District's revenue requirements is discussed in detail in Section 2.1. After identifying the revenue requirements, Raftelis analyzed customer demand, which is a critical element in developing rate recommendations. As will be discussed in Section 2.2, the District's billing data for the utility customers was reviewed to develop a projection of accounts and billable consumption, upon which revenues were forecast using existing rates.

After the financial plan was developed, the process of calculating rate structure adjustments and resulting rates to recover the revenue shortfall identified in the financial plan began. Based on information provided during the kick-off meeting and subsequent correspondence, Raftelis developed preliminary rate recommendations to address the objectives identified.

1.3 KICKOFF MEETING

The first step in the rate setting process was understanding the District's utility pricing objectives. As mentioned previously, Raftelis conducted project kick-off meetings with District Staff. The purpose of these meetings were to: (1) discuss the overall rate setting process, (2) provide a forum for District staff to communicate the utility's short- and long-term rate and financial goals, (3) discuss the advantages and disadvantages of the District's current rates and potential rate adjustments, and (4) identify the District's most important utility pricing objectives to guide the Study.

Utility pricing objectives are defined as a broad range of rate setting and rate structure objectives that reflect the values and goals of the utility and community and properly communicate the utility's pricing message. The importance and priority assigned to pricing objectives can vary significantly from one utility or community to the next. It is also important to note that several of these pricing criteria can conflict with each other. For example, increasing revenue stability through increases to fixed charges can cause affordability issues for low income users, since they cannot control that portion of their bill.

District staff indicated that its most important pricing objectives were: Financial Sufficiency; Minimization of Customer Impacts; Revenue Stability; and Affordability.

2. FINANCIAL AND RATE PLAN

The next step in the rate setting process was the development of a financial plan, which includes establishing a forecast of revenue requirements, determining the necessary revenue increases using demand projections, and examining the forecasted operating results over the five-year forecast period (FY 2020 – FY 2024).

2.1 REVENUE REQUIREMENTS

The first major task in establishing a financial plan is developing an understanding of the revenue requirements of the utility over the forecast period. As previously discussed, revenue requirements are comprised of cash-based expenses including: O&M expenses, annual debt service payments, cash-funded capital, and contributions to financial viability, as necessary.

2.1.1 Operating Expenses

O&M expenses represent normal, recurring expenses necessary to sustainably operate and maintain the system during the District's annual accounting cycle, which is a Fiscal Year ending December 31st. The FY 2019 operating budget was provided to Raftelis by District Staff and serves as the baseline for the projection of utility operating costs.

To develop a five-year forecast of system operating costs and account for growing utility costs and inflation, escalation factors are used for each major operating expense category. These escalation factors resulted in an increase of 4% per year to operating expenses throughout the five-year forecast period. These cost escalation factors are consistent with historical trends seen in the consumer price index, construction cost index, and actual District historical results.

2.1.2 Capital Improvement Plan

One of the major components of establishing a financial plan was incorporating the District's Capital Improvement Plans (CIP) and corresponding capital financing plan based on the anticipated capital expenditures for the system over the forecast period.

The District provided Raftelis with CIP's for the forecast period. Major elements of the CIP include iron and manganese treatment, water main improvements, meter upgrades, and a new water supply. The CIP identifies about \$4.1 million in capital expenditures from FY 2020 – FY 2024. In addition to the CIP projects, the District provided Raftelis with its proposed financing plan. Funding for system projects is expected to be addressed through a combination of debt and cash financing. Exhibit 1 summarizes the CIP funding sources.

Exhibit 1: Capital Improvement & Financing Plan

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>	<i>Planned</i>
Capital Improvement Plan					
Iron & Manganese Water Treatment Facility	\$ -	\$ 2,235,000	\$ -	\$ -	\$ -
New Water Supply	-	-	-	172,128	771,996
Water Main Improvements	155,250	160,684	166,308	172,128	178,153
Meter Upgrades	20,700	21,245	22,174	22,950	23,754
<i>Subtotal: Capital Improvement Plan</i>	\$ 175,950	\$ 2,416,929	\$ 188,482	\$ 367,206	\$ 973,903
 CIP Financing					
<u>Sources</u>					
New Debt	\$ -	\$ 2,235,000	\$ -	\$ -	\$ 771,996
PAYGO	175,950	181,929	188,482	367,206	201,907
<i>Subtotal: CIP Financing</i>	\$ 175,950	\$ 2,416,929	\$ 188,482	\$ 367,206	\$ 973,903

The capital financing plan assumes future debt issuances and rate-funded capital (PAYGO). In total, the capital financing plan assumes that approximately 73% of the plan will be funded with future debt issuances and the remaining 27% funded with cash.

The District's current outstanding indebtedness includes a combination of both private bonds and SRF loans. The projected existing debt service payments for the forecast period are based on payment schedules provided by District staff.

In addition to the existing debt, and as indicated in the capital financing plan, the District plans to issue additional debt in years FY 2020 – FY 2024. The underlying assumptions are that the new bonds and loans will be issued with a 20-year repayment term, at a 3% interest rate.

The total revenue requirements, O&M expenses, the existing and proposed annual debt service, and the cash funded capital discussed in the proceeding sections are shown below in Exhibit 2.

Exhibit 2: System Revenue Requirements

Revenue Requirements	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
<u>Operating & Maintenance Expenses</u>					
Outside Services	\$ 43,469	\$ 44,556	\$ 45,670	\$ 46,812	\$ 47,982
Payroll Expense	2,563	2,627	2,692	2,760	2,829
Commissioners	9,533	9,771	10,015	10,265	10,522
Clerk	3,075	3,152	3,231	3,311	3,394
Moderator	513	525	538	552	566
Office	513	525	538	552	566
Treasurer	3,075	3,152	3,231	3,311	3,394
Meetings	1,538	1,576	1,615	1,656	1,697
Treatment Operations	3,075	3,152	3,231	3,311	3,394
Power Purchased for Pumps	43,050	44,126	45,229	46,360	47,519
Pumping Equipment	5,125	5,253	5,384	5,519	5,657
Chemicals	51,250	52,531	53,845	55,191	56,570
Treatment Equipment	3,075	3,152	3,231	3,311	3,394
Expenses/Distribution Main	5,125	5,253	5,384	5,519	5,657
Expenses/SCADA	1,538	1,576	1,615	1,656	1,697
Maintenance Services	1,025	1,051	1,077	1,104	1,131
Residential Maintenance	513	525	538	552	566
Customer Complaints/Expenses	1,538	1,576	1,615	1,656	1,697
Expenses/Meters	15,375	15,759	16,153	16,557	16,971
Maintenance - Hydrants	2,050	2,101	2,154	2,208	2,263
Taxes - Federal Payroll	17,425	17,861	18,307	18,765	19,234
Taxes - FUTA	308	315	323	331	339
Taxes - NH BPT	6,150	6,304	6,461	6,623	6,788
Taxes - NH BET	2,050	2,101	2,154	2,208	2,263
Miscellaneous Non-Utility Expense	2,050	2,101	2,154	2,208	2,263
Credit Card Fees	410	420	431	442	453
Expenses - Pump Station	3,075	3,152	3,231	3,311	3,394
Equipment Replacement Reserve	24,600	25,215	25,845	26,492	27,154
Billing & Collection	410	420	431	442	453
Education & Seminars	1,025	1,051	1,077	1,104	1,131
Dues & Subscriptions	1,230	1,261	1,292	1,325	1,358
Accounting & Legal Fees	12,300	12,608	12,923	13,246	13,577
Wages - Field (Based on Gross Wages)	88,150	90,354	92,613	94,928	97,301
Wages - Office & Administration	135,300	138,683	142,150	145,703	149,346
Office Expense	9,738	9,981	10,230	10,486	10,748
Outside Services/Engineering	3,075	3,152	3,231	3,311	3,394
Insurance	8,713	8,930	9,154	9,382	9,617
Employee Benefits	84,050	86,151	88,305	90,513	92,775
Franchise Requirements	513	525	538	552	566
Postage	615	630	646	662	679
Miscellaneous General Expenses	7,688	7,880	8,077	8,279	8,486
Utilities	13,325	13,658	14,000	14,350	14,708
Maintenance - General Plant	1,025	1,051	1,077	1,104	1,131
Maintenance/Office	513	525	538	552	566
Maintenance/Vehicle & Equipment	5,125	5,253	5,384	5,519	5,657
Uniform Expense	1,538	1,576	1,615	1,656	1,697
Capital Improvement Fund	51,250	52,531	53,845	55,191	56,570
Transportation Expense	8,200	8,405	8,615	8,831	9,051
<i>Subtotal: Operating & Maintenance Expenses</i>	<u>\$ 686,862</u>	<u>\$ 704,033</u>	<u>\$ 721,634</u>	<u>\$ 739,675</u>	<u>\$ 758,167</u>
<u>Debt Service</u>					
Existing	\$ 478,800	\$ 478,800	\$ 478,800	\$ 478,801	\$ 478,800
Proposed	-	-	150,227	150,227	150,227
<i>Subtotal: Debt Service</i>	<u>\$ 478,800</u>	<u>\$ 478,800</u>	<u>\$ 629,027</u>	<u>\$ 629,028</u>	<u>\$ 629,027</u>
<u>PAYGO Capital</u>	<u>\$ 175,950</u>	<u>\$ 181,929</u>	<u>\$ 188,482</u>	<u>\$ 367,206</u>	<u>\$ 201,907</u>
Total: Revenue Requirements	<u>\$ 1,341,612</u>	<u>\$ 1,364,762</u>	<u>\$ 1,539,143</u>	<u>\$ 1,735,909</u>	<u>\$ 1,589,101</u>

2.2 REVENUES

The District collects revenue from several sources. Operating revenues consist primarily of revenues from water retail rates and charges. Other water system operating revenues include sprinkler and hydrant charges, along with other miscellaneous revenue sources.

2.2.1 Demand for Services

To estimate system user charge revenue, a customer demand forecast must be developed and applied to rates and charges. To calculate demand, Raftelis reviewed the District's historical demand and customer growth and projected future demand for service over the forecast period. Detailed billing data was provided to Raftelis by the District. Raftelis then analyzed the detailed billing data to develop the demand forecast used in the model.

After discussions with District staff, it was agreed that Raftelis would assume the following customer growth and usage assumptions over the forecast period. Customer accounts are projected to remain flat throughout the duration of the forecast. For customer consumption demand, usage is projected to decrease by 2% per year for all customer classes. Raftelis believes these assumptions to be reasonable particularly when considering the nationwide and regional trend of declining per capita water usage.

Exhibit 3 presents the forecast of accounts and consumption over the forecast period.

Exhibit 3: Schedule of Accounts and Consumption

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
	<i>Current</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>	<i>Forecast</i>
Accounts						
Water Service Accounts						
3/4"	835	835	835	835	835	835
1"	19	19	19	19	19	19
1.5"	47	47	47	47	47	47
2"	26	26	26	26	26	26
3"	2	2	2	2	2	2
4"	0	0	0	0	0	0
<i>Subtotal: Water Service Accounts</i>	929	929	929	929	929	929
<i>Change</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fire Sprinkler Heads	28,702	28,702	28,702	28,702	28,702	28,702
Private Hydrants	82	82	82	82	82	82
Public Hydrants	69	69	69	69	69	69
Consumption						
Water Consumption by Meter Size (in 100 Cubic Feet)						
3/4"	56,689	55,555	54,444	53,355	52,288	51,242
1"	7,399	7,251	7,106	6,964	6,825	6,689
1.5"	34,824	34,128	33,445	32,776	32,120	31,478
2"	36,498	35,768	35,053	34,352	33,665	32,992
3"	4,632	4,539	4,448	4,359	4,272	4,187
4"	0	0	0	0	0	0
<i>Subtotal: Consumption</i>	140,042	137,241	134,496	131,806	129,170	126,588
<i>Change</i>		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%

2.2.2 Existing Rates and Revenues

Operating revenues are generated primarily from user rates and charges assessed to retail customers. The District’s existing retail rate structure consists of a volumetric charge of \$4.57 per hundred cubic feet (Ccf) for all customer classes, and a quarterly fixed charge which increases by meter size. The vast majority of the District’s customers have a ¾ inch (¾”) meter, which currently has a quarterly charge of \$25.04.

On top of the retail rates, the District is also generating revenues from its private and public fire protection charges. Currently, the District has private fire protection charges which are based on either sprinkler heads or hydrants. The District also assesses public fire protection charges to the Tilton-Northfield Fire District, based on the number of public hydrants. The District’s existing user charges are presented in Exhibit 4.

Exhibit 4: Existing User Charges

	<u>FY 2019</u> <i>Existing</i>
Rates	
Customer Service Charge (per Quarter)	
3/4"	\$ 25.04
1"	35.05
1.5"	45.05
2"	72.59
3"	275.36
4"	350.46
Volumetric Rate (per 100 cubic feet)	\$ 4.57
Fire Sprinkler Heads (per Head)	\$ 1.32
Private Hydrants	\$515.11
Public Hydrants	\$456.48
Fixture Rate/Unmetered Service	\$ 67.00

Revenues for FY 2019 have been projected based on the projected number of customer bills and billable units and the rates in place during FY 2019. The remaining years of the forecast period (FY 2020 – FY 2024) have been projected in the same way, using the projected number of bills and billable units of service and the future rates, assumed to be effective January 1st of each Fiscal Year.

In addition to user charge revenues, the District collects revenue from a few other operating and non-operating sources such as new service fees, final meter reading fees, and interest income, among others.

2.3 REVENUE SUFFICIENCY

The most important element to any rate study is to ensure that a utility generates revenues that are sufficient for the operation of the system. Once the revenue requirements for user charges have been forecasted over the forecast period, the next step was determining the ability of the existing user charges to recover sufficient revenues to fully meet the anticipated operating and capital needs of the utility.

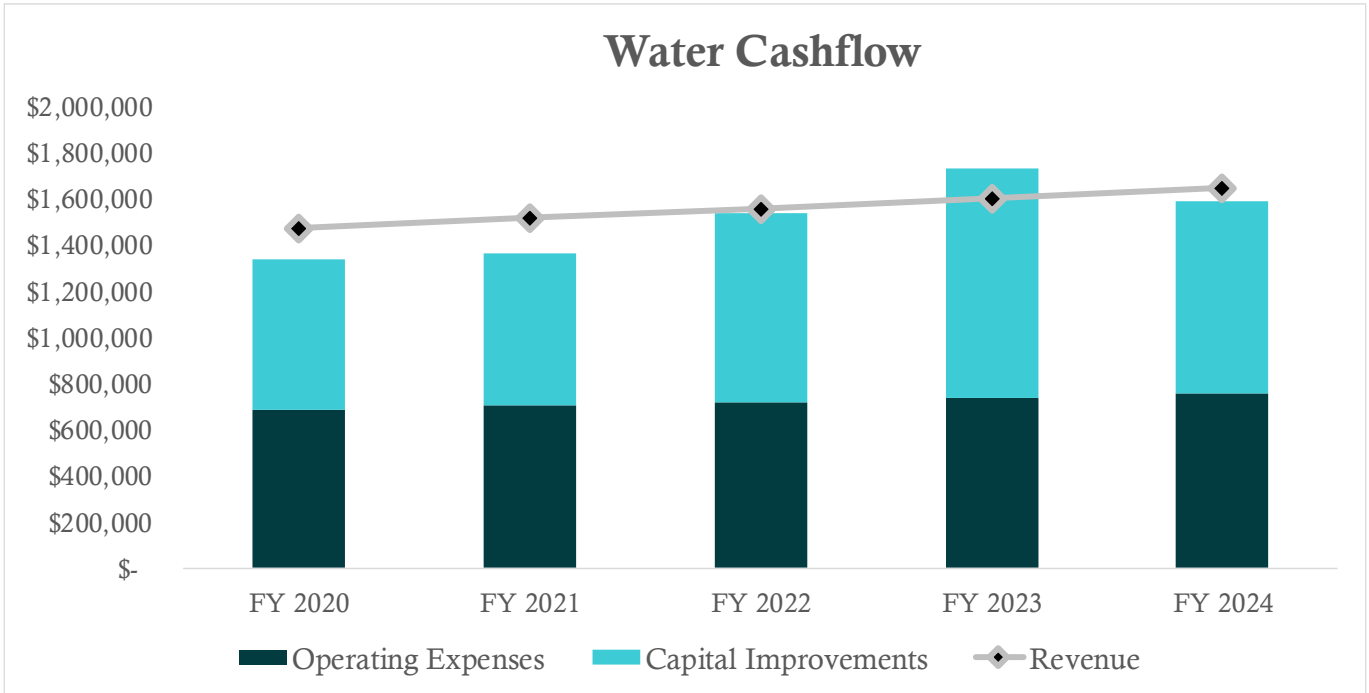
Based on the assumptions laid out in this report, the existing rates are not sufficient to recover the system revenue requirements over the forecast period. To achieve revenue sufficiency, rate increases are needed. Raftelis has assumed rate revenue increases for the duration of the forecast period. In order to fund system revenue requirements and meet debt service coverage and adequate reserve fund balance targets, 4.0% across-the-board increases will be needed for retail water rates for the duration of the forecast period (FY 2020 – FY 2024). Raftelis recommends that the District reevaluate these increases annually to ensure that they continue to sufficiently recover utility costs. In addition to the annual increase of retail water rates, Raftelis recommends that the District increase its current sprinkler head charge of \$1.32 per quarter, to \$2.57 per quarter to bring these charges in line with cost of service. Raftelis is also recommending that the District leave the current agreement it has in place with the Tilton-Northfield Fire District, of a payment of \$125,988 annually, with 4.0% annual increases starting in FY 2020. This level of annual payment is reasonable. It is also recommended that the District’s existing private hydrant charge be brought in line with the public hydrant charge for equity reasons. Exhibit 5 presents the District’s proposed rates and charges over the forecast period.

Exhibit 5: Proposed User Charges

	<u>FY 2020</u> <i>Proposed</i>	<u>FY 2021</u> <i>Proposed</i>	<u>FY 2022</u> <i>Proposed</i>	<u>FY 2023</u> <i>Proposed</i>	<u>FY 2024</u> <i>Proposed</i>
Rates					
Customer Service Charge (per Quarter)					
3/4"	\$ 26.04	\$ 27.08	\$ 28.17	\$ 29.29	\$ 30.46
1"	36.45	37.91	39.43	41.00	42.64
1.5"	46.85	48.73	50.68	52.70	54.81
2"	75.49	78.51	81.65	84.92	88.32
3"	286.37	297.83	309.74	322.13	335.02
4"	364.48	379.06	394.22	409.99	426.39
Volumetric Rate (per 100 cubic feet)	\$ 4.75	\$ 4.94	\$ 5.14	\$ 5.35	\$ 5.56
Fire Sprinkler Heads (per Head)	\$2.57	\$2.68	\$2.78	\$2.90	\$3.01
Private Hydrants	\$ 474.74	\$ 493.73	\$ 513.48	\$ 534.02	\$ 555.38
Public Hydrants	\$ 474.74	\$ 493.73	\$ 513.48	\$ 534.02	\$ 555.38
Fixture Rate/Unmetered Service	\$ 69.68	\$ 72.47	\$ 75.37	\$ 78.38	\$ 81.52

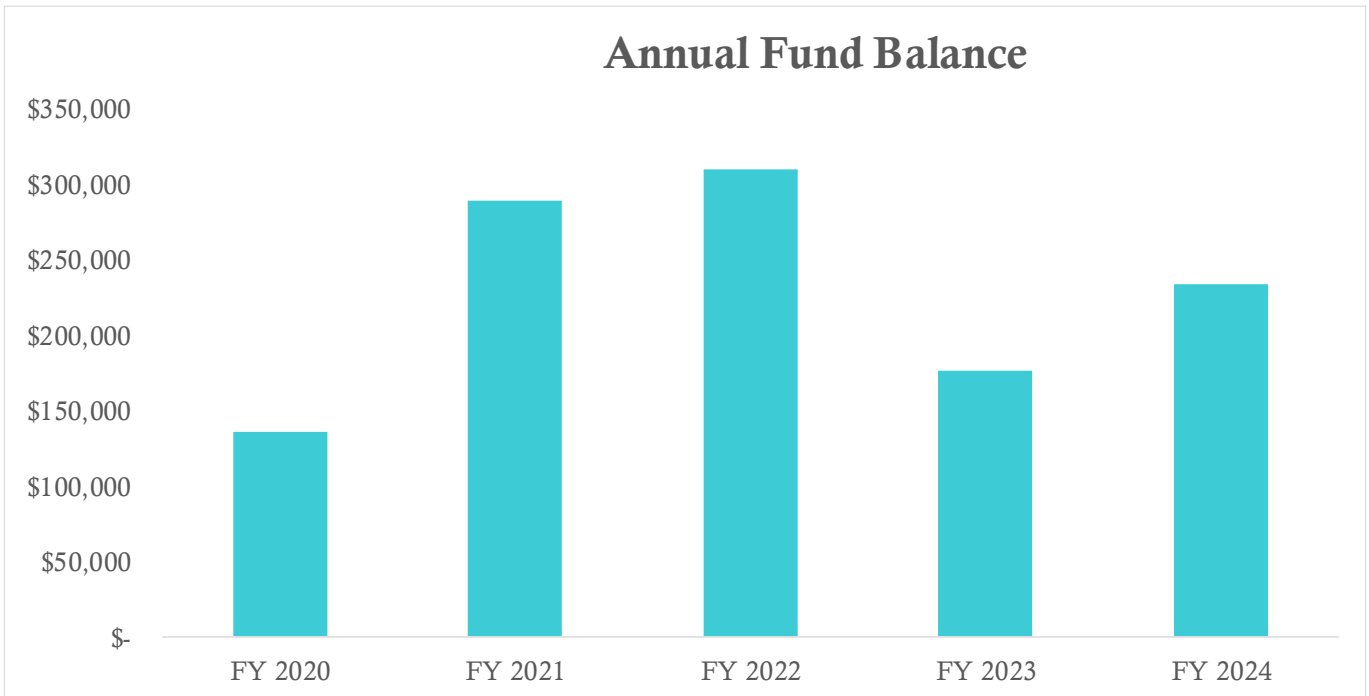
Based on the projected revenue requirements (Section 2.1) and the projected revenues (Section 2.2), Exhibit 6 shows the resulting financial performance of the projected results using the rate increases proposed by Raftelis.

Exhibit 6: Projected Financial Plan



As shown, the smooth projection of rate increases is slightly below the forecast of revenue requirements in a couple of years, and above in others. The reason for this is that the District plans to utilize its reserve funding on hand for capital repair and replacement projects. Exhibit 7 presents the cashflow in terms of fund balance over the forecast period.

Exhibit 7: Projected Annual Fund Balance



Given these rate increases, the District can expect all of its retail customers to pay approximately 4% more per bill. This results in an increase of less than \$4.00 in FY 2020 for the District's typical Residential customer. Exhibit 8 presents the quarterly bills and bill impacts associated with the proposed rate increases.

Exhibit 8: Quarterly Customer Impacts

	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
Customer Impacts - Quarterly Bill					
Low-Volume Residential Customer (3/4"; 7 Ccf)	\$ 59.31	\$ 61.68	\$ 64.15	\$ 66.72	\$ 69.39
<i>\$ Change</i>	\$ 2.28	\$ 2.37	\$ 2.47	\$ 2.57	\$ 2.67
<i>% Change</i>	4.0%	4.0%	4.0%	4.0%	4.0%
Typical Residential Customer (3/4"; 15 Ccf)	\$ 97.33	\$ 101.23	\$ 105.28	\$ 109.49	\$ 113.87
<i>\$ Change</i>	\$ 3.74	\$ 3.89	\$ 4.05	\$ 4.21	\$ 4.38
<i>% Change</i>	4.0%	4.0%	4.0%	4.0%	4.0%
High-Volume Residential Customer (3/4"; 25 Ccf)	\$ 144.86	\$ 150.66	\$ 156.68	\$ 162.95	\$ 169.47
<i>\$ Change</i>	\$ 5.57	\$ 5.79	\$ 6.03	\$ 6.27	\$ 6.52
<i>% Change</i>	4.0%	4.0%	4.0%	4.0%	4.0%

3. CAPACITY CHARGES

Raftelis recommends the District also revise and simplify its New Service Line Fees. Currently new services are assessed a charge based on their prospective meter size, with commercial customers additionally being assessed based on the prospective square footage of the property. Exhibit 9 presents the District’s existing charges.

Exhibit 9: Existing New Service Line Fees

New Service Line Fees:	Effective March 7, 2016
New ¾" Service Line:	\$4,000.00
New 1" Service Line:	\$5,000.00
New 2" Service Line:	\$6,500.00
Over 2" has to be priced and TNAC Engineer approved.	
(If police detail is needed, that cost will be paid in addition to the service line fee by the customer.)	
Commercial connection fee \$2.00 per sq. ft. will be paid before construction begins.	

Raftelis recommends altering these fees to assess all new customers, regardless of customer classification, based on meter size only. Raftelis utilized a standard buy-in approach for calculating these proposed fees. Based on the District’s current value and capacity of its system, Raftelis developed a cost per gallon per day of capacity, and then allocated that to meter sizes based on estimated average use per meter size. In order to determine, the average consumption per meter size, Raftelis assumed an estimate of 130 gallons per day for a ¾" meter, which is equivalent to a 2-person household using 65 gallons per person per day. The 130 gallons for a ¾" meter was then scaled up for other meter sizes based on the relative capacity of each meter size. Exhibit 10 presents Raftelis’ proposed capacity charges. It should be noted that these are the maximum amounts the District could charge for its new service line fees, but a policy decision should be taken into consideration to balance revenue collection and equity against economic development. Due to this policy decision, Raftelis, after talks with the District, has proposed lower service line fees than calculated, which can be viewed in Exhibit 10.

Exhibit 10: Proposed New Service Line Fees

<u>Meter Size</u>	<u>Est. Avg. Use (gpd)</u>	<u>Meter Capacity (gpm)</u>	<u>Ratio to ¾"</u>	<u>Calculated Charge</u>	<u>Proposed Charge</u>
¾"	130	30	1.00	\$ 3,200	\$ 2,500
1"	217	50	1.67	5,300	3,000
1.5"	433	100	3.33	10,500	4,500
2"	693	160	5.33	16,800	6,000
3"	1,300	300	10.00	31,500	8,000
4"	2,167	500	16.67	52,500	12,000
6"	4,333	1,000	33.33	105,000	18,000
8"	6,933	1,600	53.33	168,000	24,000
10"	9,967	2,300	76.67	241,500	30,000
12"	18,633	4,300	143.33	451,600	36,000