

# LYNNFIELD

## Center Water District (LCWD)

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### Water Rate Workshop

February 3rd, 2020



**LYNNFIELD CENTER**



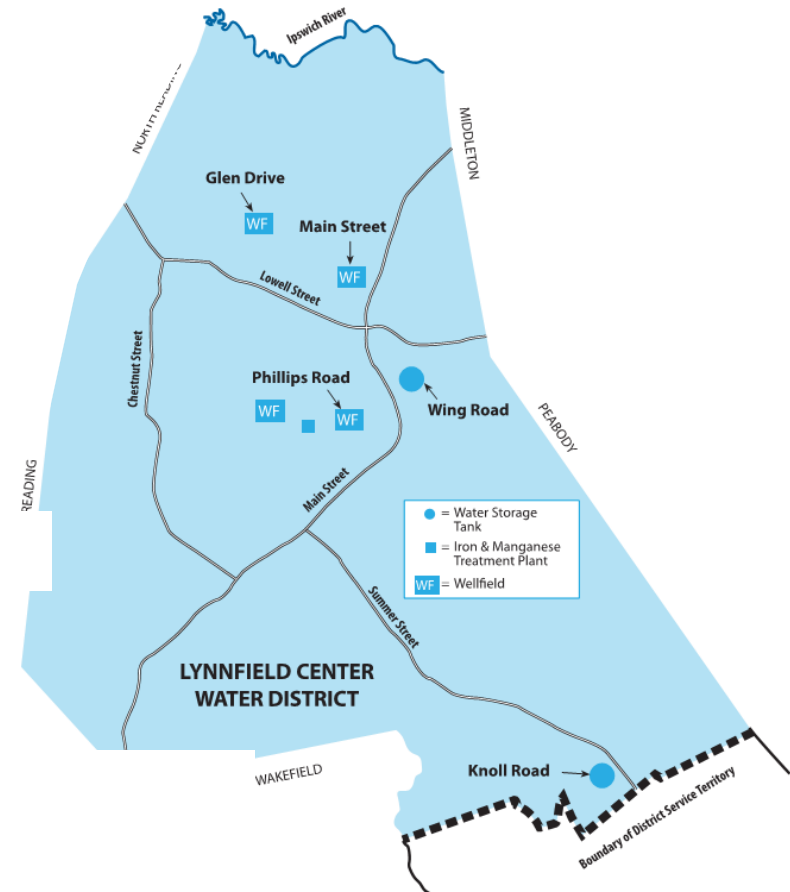
**WATER DISTRICT**

# LCWD Rate Workshop

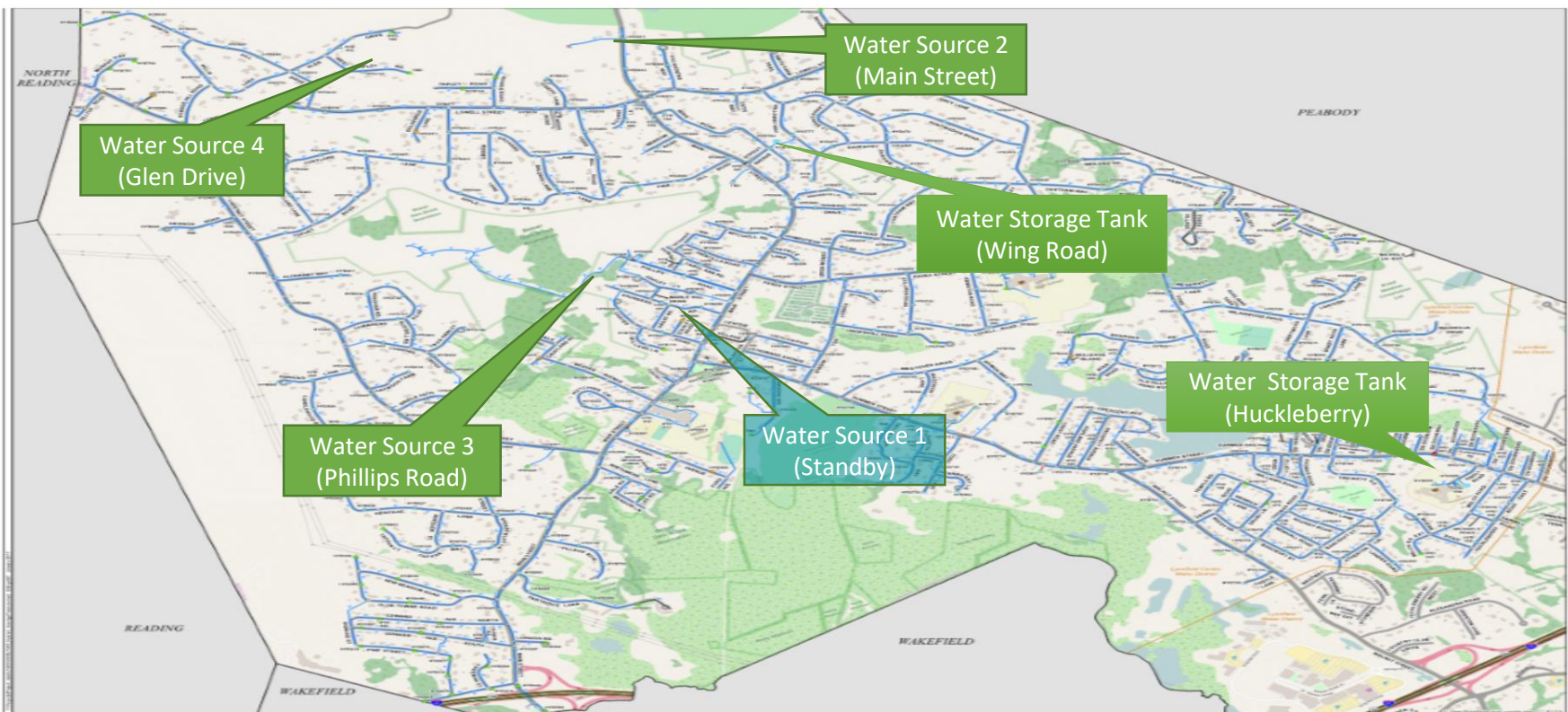
## *Introductions*

# Overview of District's Water System

- Sources: four groundwater well sites (three active, one standby)
- Treatment: treatment plant and at pump stations
- Storage: two water storage tanks
- Distribution: 48 miles of water main



# LCWD Today *System & Infrastructure*





Preventive  
Maintenance of  
Existing  
Infrastructure

Policy,  
Procedures &  
Efficiencies within  
LCWD  
Administration &  
Operations

Capital Study &  
Investment in  
Infrastructure

Creating a System  
that meets  
Customer Quality  
& Quantity  
Demands in a  
Sustainable  
Manner

# Maintaining Existing Infrastructure?

Advanced Solutions  
Scott Kelley  
Water System Consultant  
603-724-8226  
Scott.Kelley@SUEZ.com



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## Knoll Road Standpipe 1,680,000 Gallon Standpipe Condition Assessment Report

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Lynnfield DPW, MA



Prepared By:

Richard Pena  
North East Inspector  
NACE Level III Cert #62116  
Richard.Pena@SUEZ.com

Assessment Performed 11/14/2019

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## Wing Road Standpipe 424,000 Gallon Standpipe Condition Assessment Report

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Lynnfield DPW, MA



Prepared By:

Richard Pena  
North East Inspector  
NACE Level III Cert #62116  
Richard.Pena@SUEZ.com

Assessment Performed 11/14/2019

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**Flushing  
Program: An  
Opportunity to Exercise  
& Maintain Hydrants**







## Hydrant Flushing: Pinehill Road





# Customer Feedback Survey

## Extent of Problem

- Survey was mailed to you earlier this week
- Please respond online if possible
- Wide-spread participation is crucial whether you have problem or don't!
- Questions on Survey

Welcome to the Apple Hill Neighborhood Water Quality Survey

**Description:**  
The Lynnfield Center Water District (LCWD) is conducting a customer survey to assess water quality in the "Apple Hill" neighborhood of the water system. This survey is a component of a larger program to collect information about water quality in Apple Hill so that operational improvements in daily procedures can be studied and possibly implemented to improve water quality, all while long term capital programs continue to be designed, developed and ultimately funded for construction. Your participation is essential to the success of the program. The survey consists of 11 short questions about your tap water and should take about 5 minutes to complete although you are welcome to add as much information as desired.

**Is your household served by municipal water from Lynnfield Center Water District (LCWD)?\***  
Please choose from the drop down below.

-Please Select-



Point Smartphone  
camera at me!



# Daily Operations: *Meeting & Maintaining Standards*







# Maintaining Facilities

Installation of New Septic System  
at Main LCWD Operations  
Facilities

# Maintaining Facilities Treatment

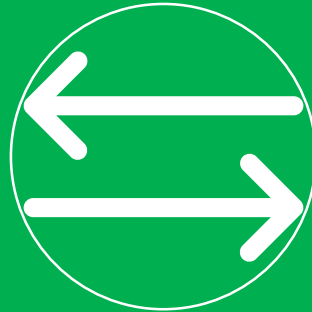




# Big Picture and Long-Term Solutions



All Water from  
LCWD



Improvements to  
LCWD and  
Supplemental  
Water from MWRA



All Water from  
MWRA



# What Costs go into Rates?





# How Does LCWD Collect Revenue?

**BIG BIRD**  
**123 SESAME STREET**  
**LYNNFIELD, MA 01940**

Water Statement

Usage from November 1, 2018 to October 31, 2019  
 Service Address: 123 Sesame Street  
 Account Number: 0000

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**IMPORTANT MESSAGES**

WE NO LONGER ACCEPT CASH PAYMENTS.

WE NOW ACCEPT VISA, MASTERCARD AND DISCOVER.  
 SERVICE CHARGE OF \$3.00 APPLIES PER TRANSACTION.

PREVIOUS READ	CURRENT READ	USAGE in Gallons
0000	0100	100,000
	Total Usage	100,000

30,000 Gals. @ \$5.50 per 1,000 gals. (0 to 30,000 gal)	\$15.00
30,000 Gals. @ \$7.75 per 1,000 gals. (30,001 to 60,000 gal)	\$22.50
30,000 Gals. @ \$2.25 per 1,000 gals. (60,001 to 90,000 gal)	\$67.50
10,000 Gals. @ \$2.50 per 1,000 gals. (90,001 to 120,000 gal)	\$25.00
0 Gals. @ \$8.50 per 1,000 gals. (120,001 to 150,000 gal)	\$0.00
0 Gals. @ \$9.50 per 1,000 gals. (150,001 to 180,000 gal)	\$0.00
0 Gals. @ \$10.50 per 1,000 gals. (180,001 to 210,000 gal)	\$0.00
0 Gals. @ \$11.50 per 1,000 gals. (210,001 to 240,000 gal)	\$0.00
0 Gals. @ \$12.50 per 1,000 gals. (240,001 to 270,000 gal)	\$0.00
0 Gals. @ \$13.50 per 1,000 gals. (270,001 gal and above)	\$0.00

Water Usage of 100,000 gallons	\$130.00
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All Claims for abatement must be made within 30 days from date of bill.

Prior Balance \$0.00

**DUE BY January 31, 2020**

**\$130.00**

If payment is received after the due date, a late charge of 1.5% will be assessed per month.

Make check payable to: Lynnfield Center Water District

Office Hours: Monday – Thursday: 8:00 am – 4:00 pm\*  
 Friday: 8:00 am – 1:00 pm  
 \*closed from 12:00 pm to 12:30 pm

**PLEASE RETURN WITH PAYMENT**

Customer Name	Service Address	Account Number
BIG BIRD	123 Sesame Street	0000

<b>Due by January 31, 2020</b>	<b>\$130.00</b>
Credit Card Fee	<b>\$3.00</b>
<b>Amount Paying (if paying by card include service fee)</b>	<b>\$</b>

Credit Card Number	Exp. Date	CVV
Name as it appears on card		
Phone Number		
Signature (required, will not be processed without signature)		

3RD QUARTER: FISCAL YEAR 2020 REAL ESTATE TAX BILL		TAXPAYER COPY	
Based on assessments as of January 1, 2019, your REAL ESTATE TAX for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020 on the parcel of Real Estate described below is as follows:		TOWN OF LYNNFIELD OFFICE OF THE COLLECTOR OF TAXES	
PROPERTY		B/L NUMBER 4-22	
Location: [REDACTED]	Special Assessments	Real Estate Tax \$6,457.00	
Parcel: 0008-0000-0461		Town Special Assessments \$0.00	
CHECK PAYABLE TO: TOWN OF LYNNFIELD		TOTAL TAX & ASSESSMENTS \$6,457.00	
MAIL TO: P.O. Box 914 LYNNFIELD, MA 01904		PRELIMINARY TAX \$4,007.80	
		Payments Made \$4.00	
		Preliminary Tax Overdue \$0.00	
		Interest \$0.00	
		TOTAL BALANCE DUE \$6.00	
THIS FORM APPROVED BY THE COMMISSIONER OF REVENUE SEE NOTICE SENT BY MAIL/IN PERSON/ FAX		3rd Quarter Payment Due by February 3, 2020	
		REAL ESTATE TAX \$2,036.14	
		CENTER WATER DISTRICT TAX \$195.80	
		4th Quarter Payment Due by May 1, 2020	
		REAL ESTATE TAX \$2,036.14	
		CENTER WATER DISTRICT TAX \$195.80	
		TOTAL NOW DUE \$2,231.94	
LYNNFIELD MA 01904		PAY online www.town.lynnfield.ma.us	
		000020820206000012283000222474	

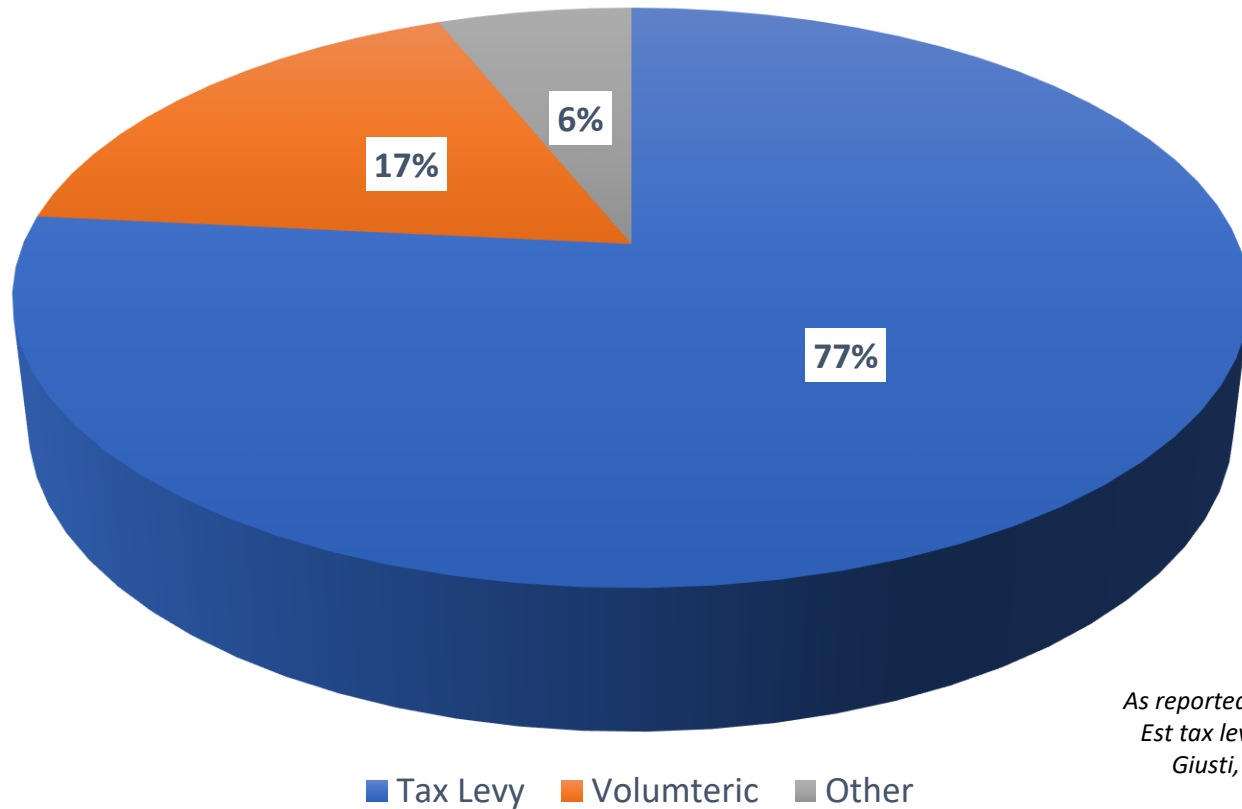
  

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LYNNFIELD MA 01904		PAY online www.town.lynnfield.ma.us	
		000020820206000012283000222474	

# LCWD Bill + Town Tax Bill

# How Does LCWD Collect Revenue?

2019 Anticipated Revenue Split



*As reported in Appendix B -  
Est tax levy prepared by  
Giusti, Hingston &*

# Rate Study General Overview

- **Purpose:** Determine an appropriate methodology for the District's cost recovering mechanisms, while balancing policy objectives and customer impacts
- **Scope:** Analyze water usage from previous years and assessed property values to calculate new water rates that fully recover required revenues, at an appropriate balance between tax and rate recovery
- **Key Goals:**
  - › Promote equity amongst customer base
  - › Maintain adequate revenue stability
  - › Reduce revenue reliance on tax base
  - › Ensure adequate revenues in order for District to fully fund all necessary investments in water system





# Study Assumptions

- Move to quarterly billing
- Reduce number of tiers to simplify rate structure (3 tiers)
- Recognize increased cost of servicing non-residential customers through quarterly fixed charge
- Increase revenues to ensure financial sufficiency
- Reduce reliance on taxes by recovering only 30% of revenues from tax base (currently ~70%)



# Existing vs. New Rate Structure

## Existing Rate Structure

Tier	Price per Kgal
0-30	\$0.50
31-60	\$0.75
61-90	\$2.25
91-120	\$2.50
121-150	\$8.50
151-180	\$9.50
181-210	\$10.50
211-240	\$11.50
241-270	\$12.50
>270	\$13.50
Annual Fixed Charge	\$60.00

## New Rate Structure

### Volumetric Rates

Tier	Price per Kgal
0-24	\$6.45
25-36	\$16.13
>36	\$19.35
Municipal	\$2.10

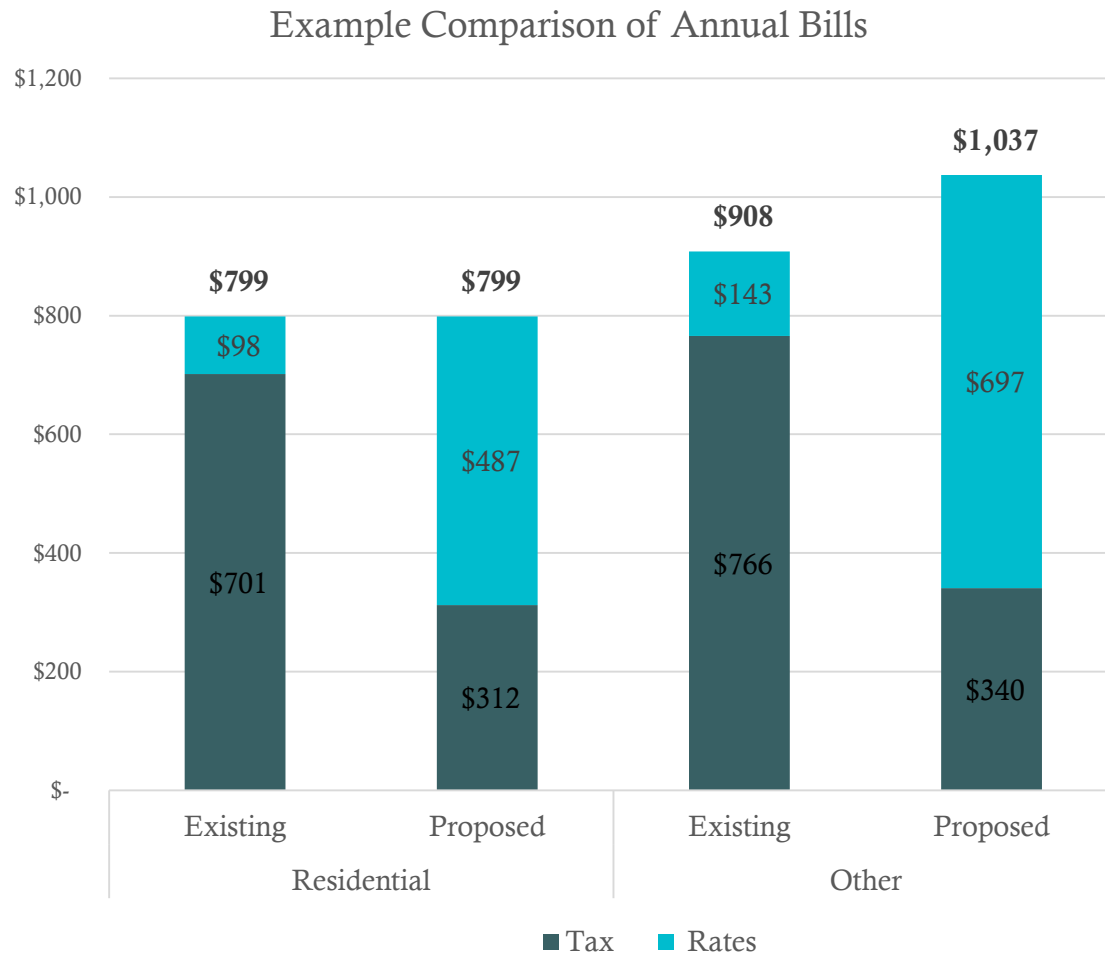
### Fixed Charges

Class	Per Quarter
Residential	\$25.00
Other	\$50.00
Municipal	\$25.00

\*Estimated Water Tax Rate assuming above rates: \$0.46 per \$1,000 of assessed value

# Typical Impacts from New Rates (2021)

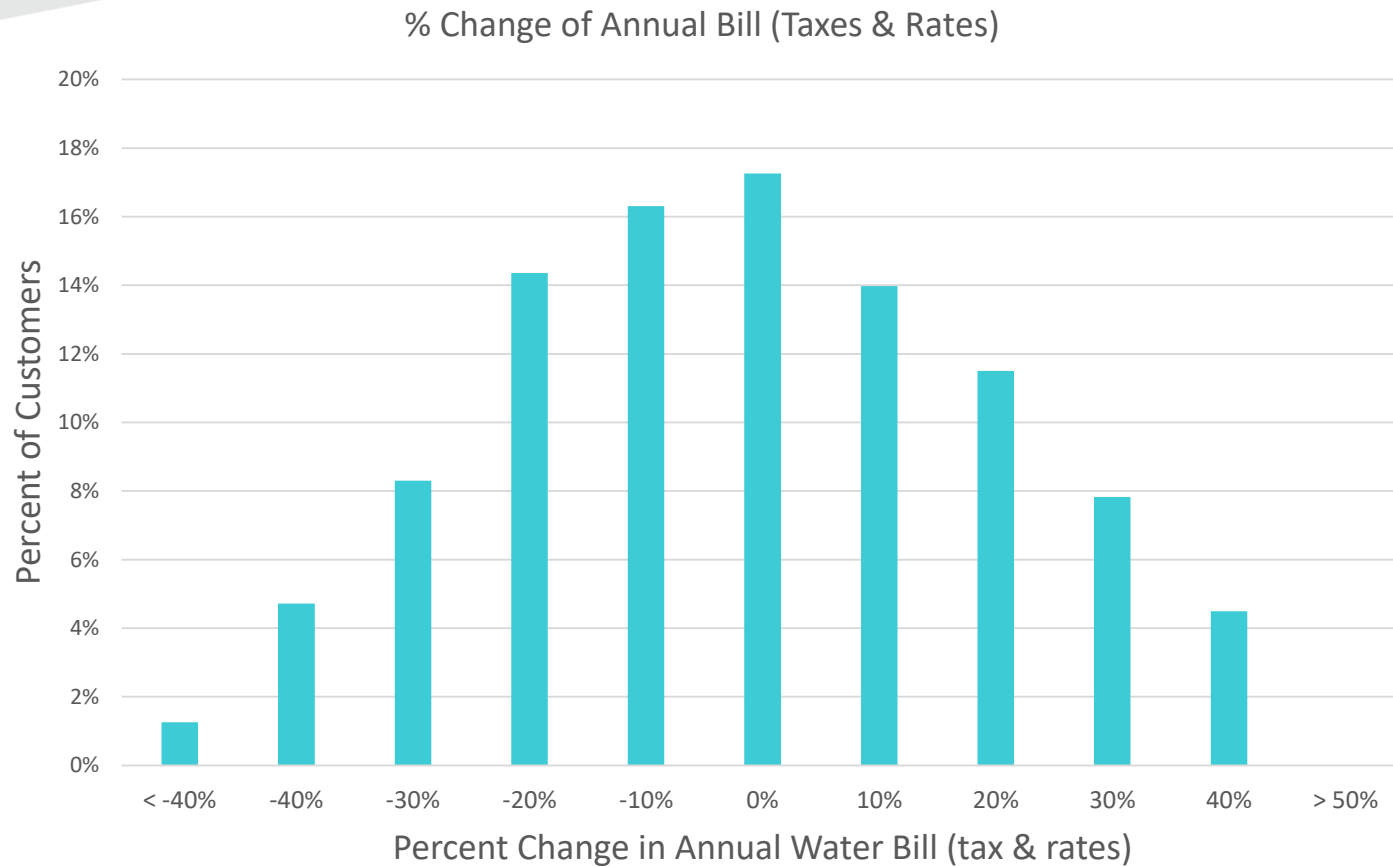
1. Customers with high assessed value and low water consumption will benefit from this structural change



















\*Based on average typical usage and assessed value for Residential and Other Class



# Distribution of Impacts (2021)



# Other Communities

	Tiers	Number	Fixed Fee	Amount
North Reading		3		\$300
Danvers/Middleton		3		\$17/quarter
Peabody		4		n/a
Saugus		8		minimum rates
Wakefield		n/a		\$18
Melrose		2		\$17
Andover		3		n/a
North Andover		2		n/a
Topsfield		3		Access Fee
Wilmington		4		n/a
Georgetown		5		60/quarter



# Next Steps

1. Receive feedback from Board 1/13 and 1/27 Meetings
2. District workshop on February 3<sup>rd</sup>
3. Receive feedback from Customers
4. Board decides on rate approval February 10<sup>th</sup>
5. Go-live in March, with first bills being distributed in June







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# Thank you!

Contact: Dave Fox  
dfox@raftelis.com  
774.243.0619

