

LCWD Rate Review

10-1-20 Board of Commissioners Meeting

First Step: Forming a Committee and reviewing all existing conditions





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What Costs go into Rates?

Operating
Budget:
Administration,
Salaries,
Professional Fees

Indirect Costs:
Benefits, OPEB,
Retirement,
Workers
Compensation

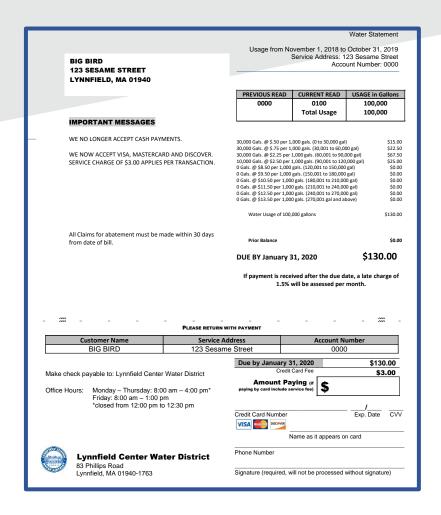


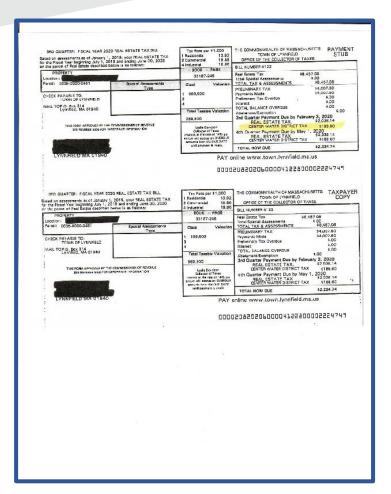
Maintenance
Budget: Repairs,
Utilities, Pipe &
Material,
Contractual

Capital Studies,
Programs &
Projects

Reserves

How Does LCWD Collect Revenue?

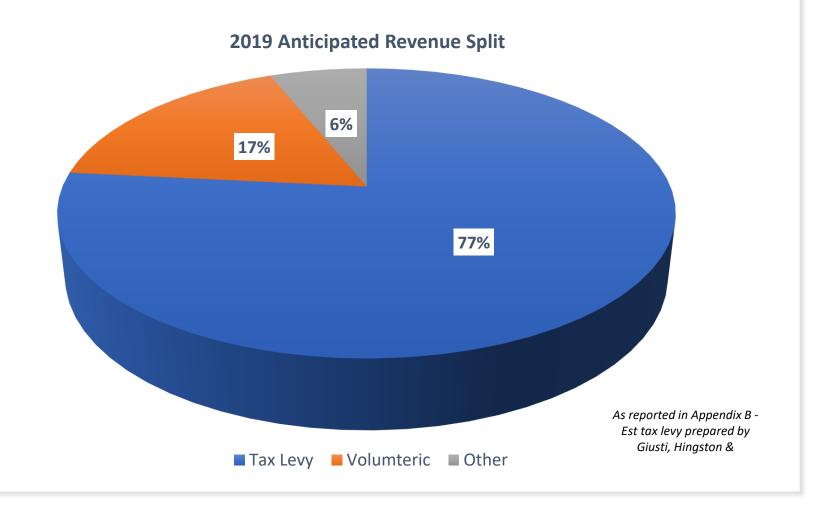








How Does LCWD Collect Revenue?



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 a substantial amount more of revenues from volumetric rates



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

Fixed Charges

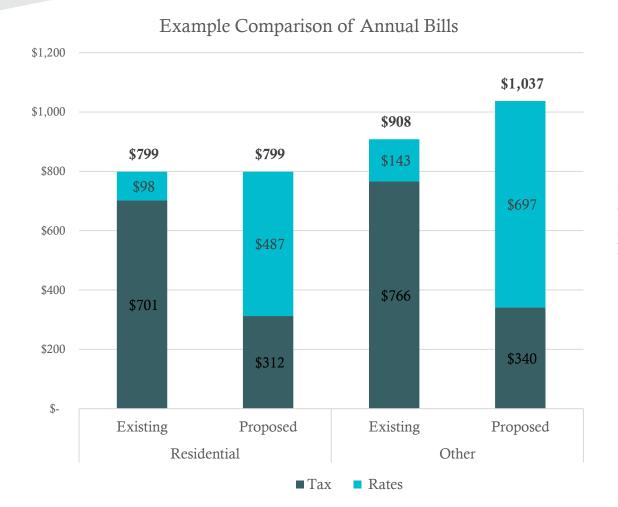
Class	Per Quarter
Residential	\$25.00
Other	\$50.00

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



Typical Impacts from New Rates

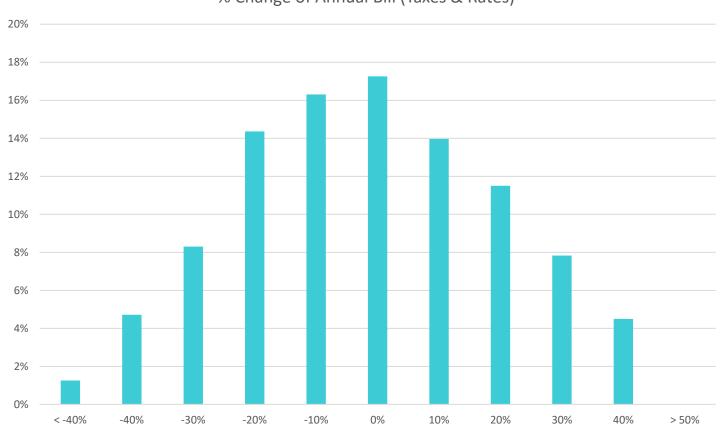
 Customers with high assessed value and low water consumption will benefit from this structural change



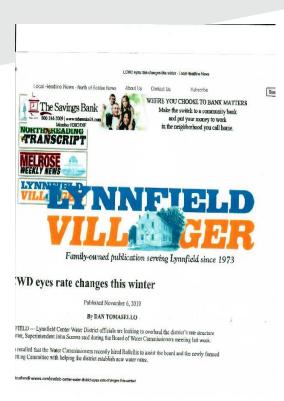
*Based on average typical usage and assessed value for Residential and Other Class

Distribution of Impacts

% Change of Annual Bill (Taxes & Rates)

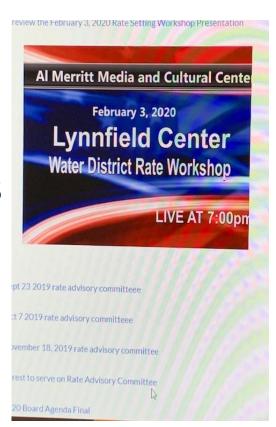


Public Outreach



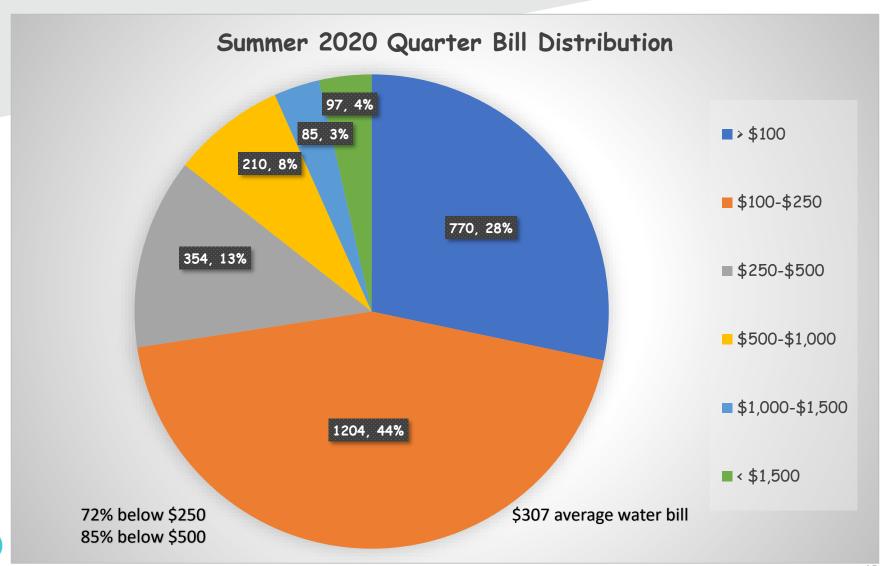
Press Releases

- Televised Rate Work Shop
- Newspaper Articles
- Insert in December 2019 and March 2020 Bills
- Notes on subsequent bills





Summer Quarterly Billing Distribution



LCWD introduces WaterSmart

Lynnfield Center Water District Announces New Online Customer Account, Payment & Insights Portal









the fall of 2020!!





LYNNFIELD - The Lynnfield Center Water District Board of Commissioners is pleased to announce that they and four of its partners have collaborated to create a new online multifunctional account information and payment portal for customers.

Through a partnership with Ti Sales, Paymentus, Jayhawk and WaterSmart, the LCWD will soon offer its customers access to the WaterSmart platform, which provides a broad array of tools previously unavailable to them. The change also eases the bill payment and collection process, while giving the district and customers valuable insight into their water usage.

WaterSmart will provide customers with a variety of tools and resources that will help better inform them about water usage and streamline their billing experience. The features include:

