

# First Step: Forming a Committee and reviewing all existing conditions 

## IIII <br> MSRB REGISTERED MUNICIPAL ADVISOR

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## What Costs go into Rates?



## How Does LCWD Collect Revenue?




## LCWD Bill + Town Tax Bill

## How Does LCWD Collect Revenue?

2019 Anticipated Revenue Split


## 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

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

Example Comparison of Annual Bills


## Distribution of Impacts

\% Change of Annual Bill (Taxes \& Rates)


## Public Outreach

|  |  |
| :--- | :--- |
| -Press Releases  <br> • Televised Rate |  |
|  | Work Shop |

review the February 3, 2020 Rate Setting Workshop Presentation


## Summer Quarterly Billing Distribution

Summer 2020 Quarter Bill Distribution


## LCWD introduces WaterSmart



[^0]
[^0]:    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:

