

Lynnfield Center Water District

Board of Commissioners Meeting

February 24th, 2021





Raftelis is a Registered Municipal Advisor within the meaning as defined in Section 15B (e) of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder (Municipal Advisor Rule).

However, except in circumstances where Raftelis expressly agrees otherwise in writing, Raftelis is not acting as a Municipal Advisor, and the opinions or views contained herein are not intended to be, and do not constitute “advice” within the meaning of the Municipal Advisor Rule.

What Costs go into Rates?



How Does LCWD Collect Revenue?

Water Statement

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

BIG BIRD
123 SESAME STREET
LYNNFIELD, MA 01940

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

IMPORTANT MESSAGES

WENOLONGERACCEPTCASHPAYMENTS.
30,000 Gals. @ \$ 5.50 per 1,000 gals. (0 to 30,000 gal) \$15.00
30,000 Gals. @ \$ 7.50 per 1,000 gals. (30,001 to 60,000 gal) \$22.50
WENOWACCEPTVISA,MASTERCARDANDDISCOVER.
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
SERVICE CHARGE OF \$3.00 APPLIES PER TRANSACTION.
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

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.

PLEASE RETURN WITH PAYMENT

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

Make check payable to: Lynnfield Center Water District
Office Hours: Monday - Thursday: 6:00 am - 4:00 pm
Friday: 8:00 am - 4:00 pm
closed from 12:00 pm to 12:30 pm

Lynnfield Center Water District
83 Phillips Road
Lynnfield, MA 01940-1763

TAXPAYER COPY

THE COMMONWEALTH OF MASSACHUSETTS
TOWN OF LYNNFIELD
OFFICE OF THE COLLECTOR OF TAXES

BILL NUMBER 4122

Class	Valuation	Rate	Amount
1	999,500	18.88	18,879.60
3		1.00	1,000.00
4		1.00	1,000.00
Total Taxable Valuation			999,500
Abatement/Exemption			1,000
TOTAL TAX & ASSESSMENTS			19,879.60
PRELIMINARY TAX			19,879.60
Payments Made			1,000.00
Preliminary Tax Overdue			1,000.00
Interest			1,000.00
TOTAL BALANCE OVERDUE			3,000.00
Abatement/Exemption			1,000
3rd Quarter Payment Due by February 3, 2020			2,000.00
REAL ESTATE TAX			1,888.60
CENTER WATER DISTRICT TAX			1,188.60
4th Quarter Payment Due by May 1, 2020			1,188.60
REAL ESTATE TAX			1,236.14
CENTER WATER DISTRICT TAX			1,188.60
TOTAL NOW DUE			32,224.74

Pay Online www.town.lynnfield.ma.us
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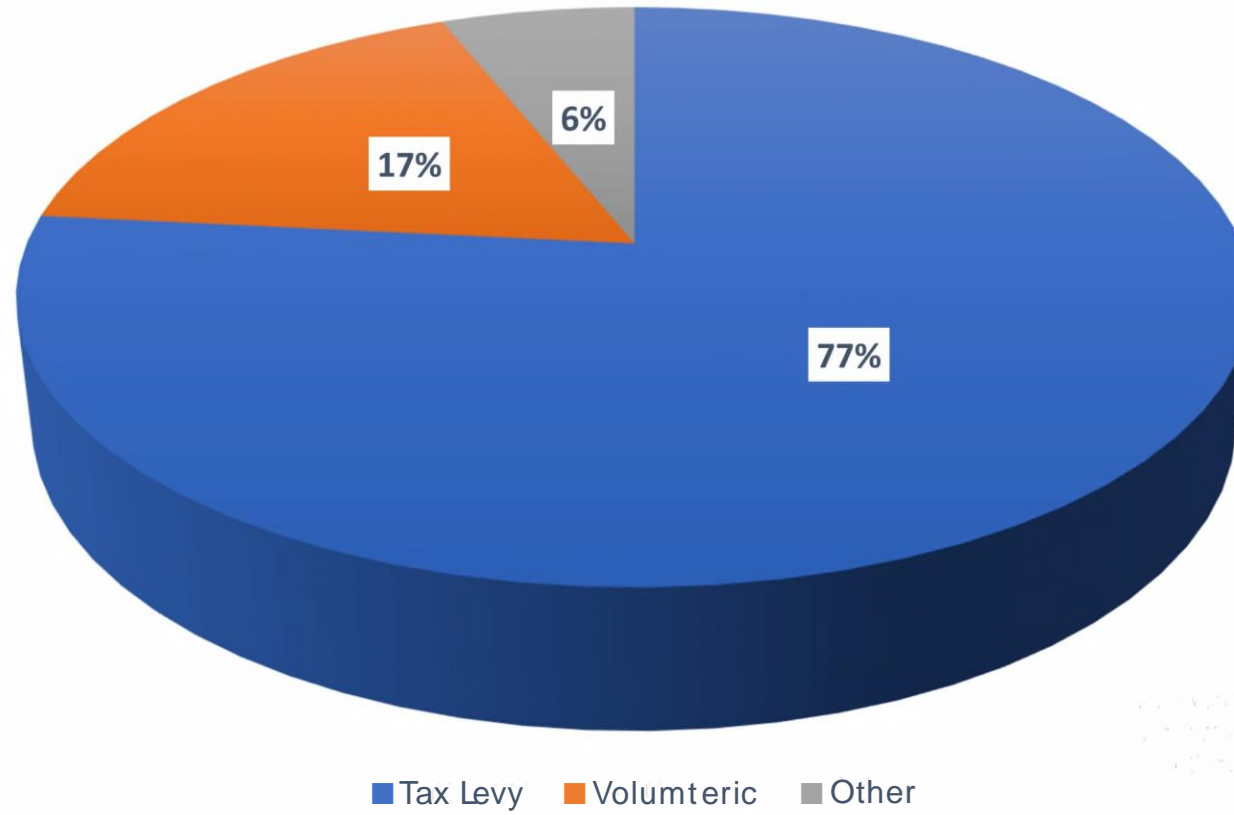
Pay Online www.town.lynnfield.ma.us
Dpe a 2020 D 00022 & DJ 22271



LCWD Bill + Town Tax Bill

How Does LCWD Collect Revenue?

2019 Anticipated Revenue Split

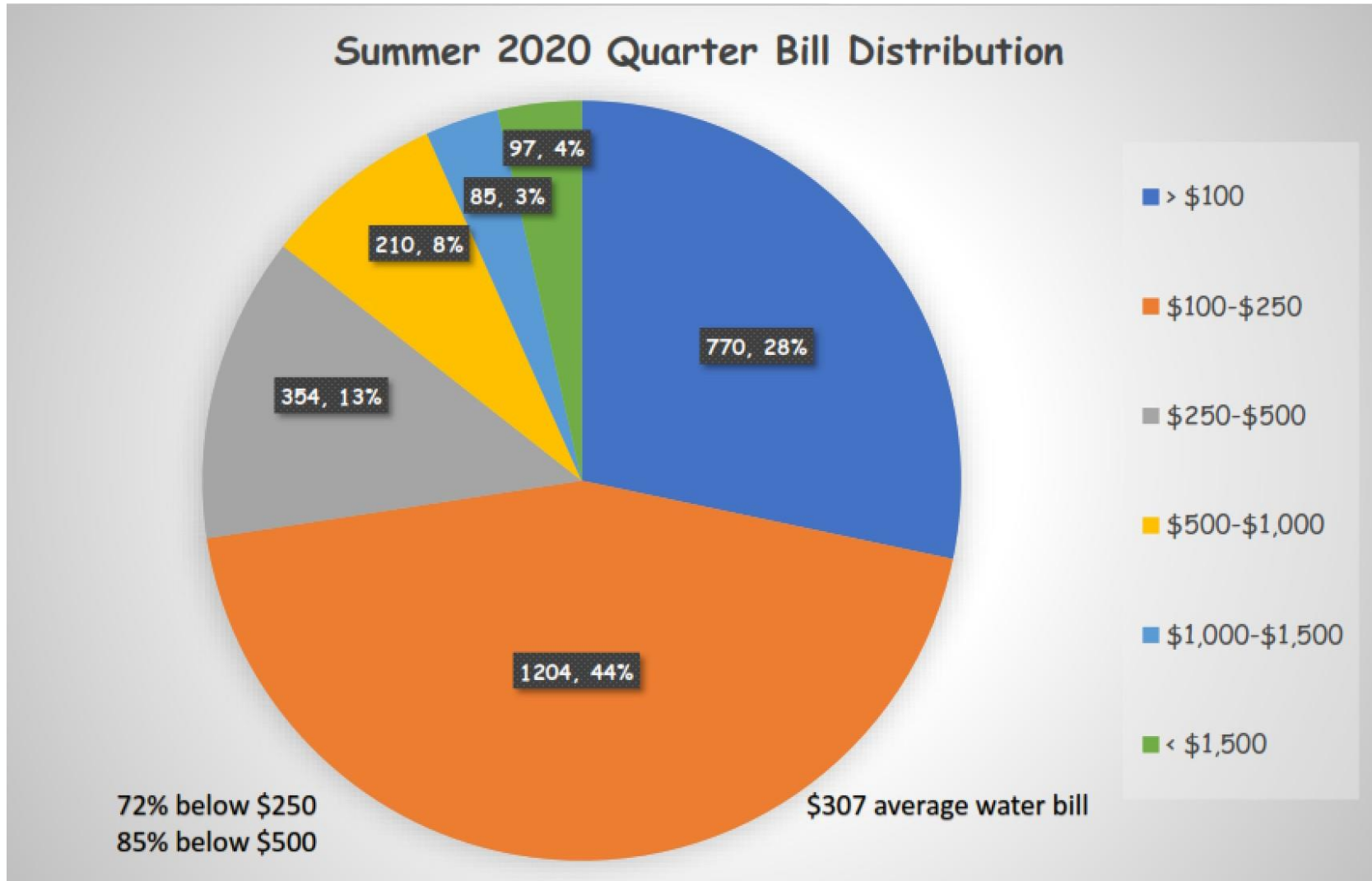


Existing Rate Structure

Existing	
Tier 1: 0-24 Kgal	\$6.45
Tier 2: 24-36 Kgal	\$16.13
Tier 3: > 36 Kgal	\$19.35

- 24,000 gallons is typical quarterly consumption for a family of 4
- 86% of annual consumption falls within Tier 1; 8% in Tier 2; and 6% in Tier 3

Summer Quarterly Billing Distribution



Rate Options for March 1 Implementation

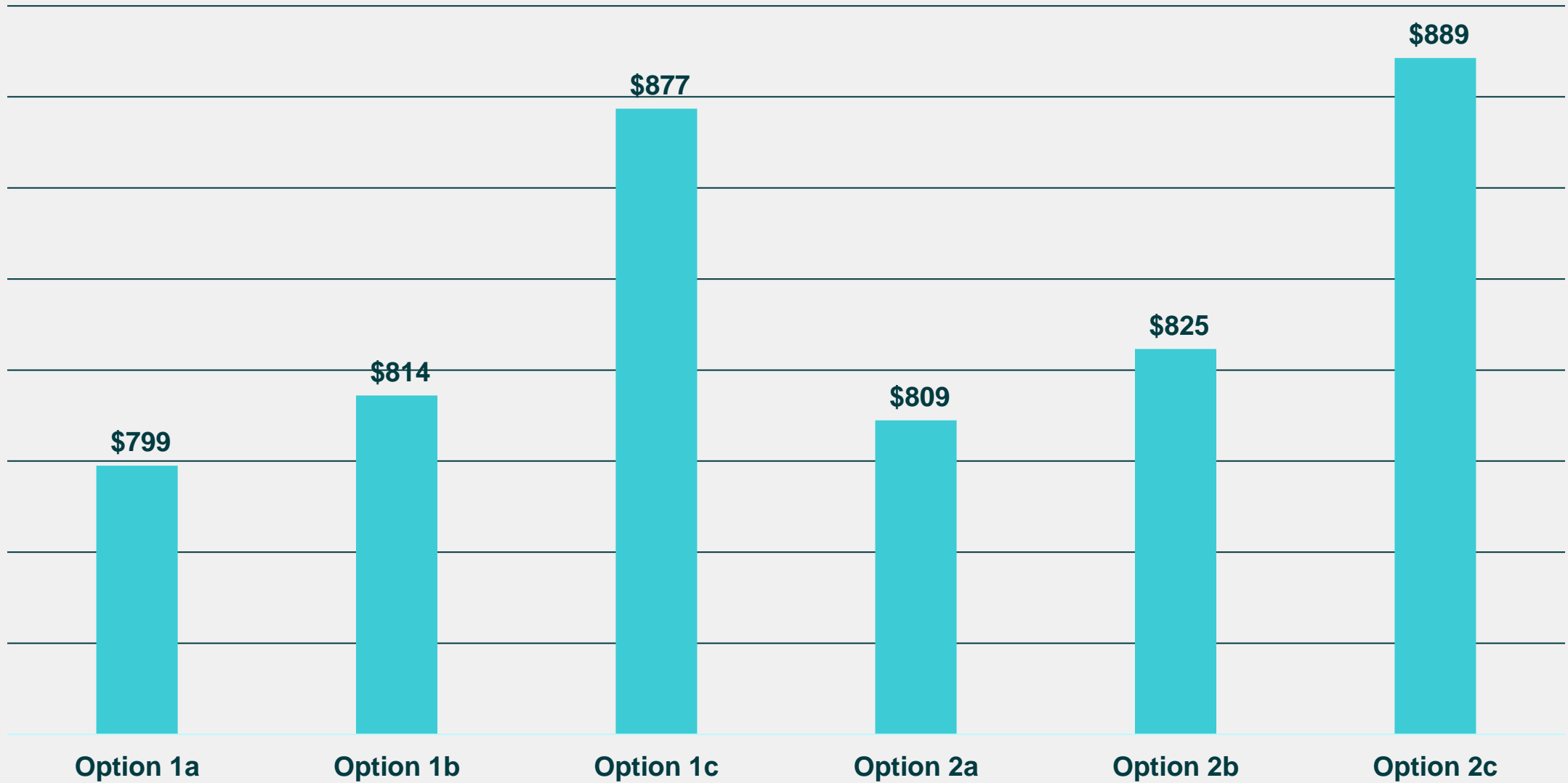
- Option 1: No structural change
 - › 1a: Level funding
 - › 1b: Inflationary increase (2%)
 - › 1c: Inflationary increase; increase to support future capital needs
- Option 2: Structural Change (2 tier rather than 3)
 - › 2a: Level funding
 - › 2b: Inflationary increase (2%)
 - › 2c: Inflationary increase; increase to support future capital needs

Rate Structural Change Details

Existing		Alternative	
Tier 1: 0-24 Kgal	\$6.45	Tier 1: 0-24 Kgal	\$6.62
Tier 2: 24-36 Kgal	\$16.13	Tier 2: > 24 Kgal	\$16.54
Tier 3: > 36 Kgal	\$19.35		

- This alternative structure will increase the bills of typical residential customers by a little over 1%, or \$10 per year
- Customers using more than 36 Kgal per quarter will benefit from this change

Typical Residential Customer Bill



Future Considerations

- The typical residential customer will end up paying about \$200 more after all capital investments are made over the next few years
- Increases will be necessary for purchased water
- These increases should occur over multiple years to smooth out the increases on customers and avoid rate shock.



Thank you!

Contact: Dave Fox

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