

***Town of Seabrook***  
***Water and Sewer Rate Study***  
***Draft Report***

***The Abrahams Group***  
***June 2010***

**THE ABRAHAMS GROUP**

*YOUR PARTNER IN PERFORMANCE*

June 30, 2010

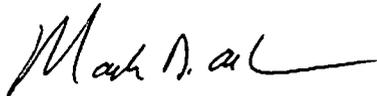
Mr. Barry M. Brenner  
Town Manager  
Town Hall  
99 Lafayette Road  
Seabrook, NH 03874

Dear Mr. Brenner:

I am pleased to transmit the attached Water and Sewer Rate Study for the Town of Seabrook.

I will be pleased to discuss this report with you at your earliest convenience.

Sincerely yours,



Mark D. Abrahams, CPA  
President

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**BACKGROUND**

The Town of Seabrook (Town) provides water and sewer services to about 3,600 metered accounts of which about 300 are commercial/industrial accounts and 3,300 or 92% are residential accounts. The water and sewer system serves about 99% of the entire Town and a few out-of-town accounts.

The Town’s water supply consists of ten wells currently in operation including five gravel packed and five rock wells. The Town pumped about 374 million gallons of water in CY 2007 and 395 million in CY 2008. The water distribution system includes about 55 miles of water mains, two water storage facilities, a 1 million gallon elevated water tank and a 720,000 gallon standpipe. The wastewater system has the same service area of the water system and includes about 50 miles of sewer lines, 17 large pumping stations, 12 medium sized pumping stations, 87 residential pumping stations, and a wastewater treatment plant. Treated effluent is discharged to the ocean.

Water and sewer rates are based on a flat rate for residential customers and a metered rate for commercial and industrial customers. Residential customers have been billed an annual flat rate of \$60.00 per year for each system with a few out-of-town users paying \$100 per year flat rate. Commercial/industrial users have been charged a monthly water use rate of \$1.70 per 1,000 gallons for the first 100,000 gallons, \$2.10 per 1,000 gallons for the next 900,000 gallons, and \$2.40 per 1,000 thereafter. Sewer use charges are based on water consumption.

Historically the water and sewer operating budgets are subsidized by general tax revenues. Water has been subsidized around 50% and sewer around 67%.

Over the past few years, starting at the end of 2004 and completing in the beginning of 2009, the Town has installed water meters for most of its customers. This study has been delayed until the Town was satisfied with water consumption and sewer flow derived from the meters. A summary of the CY08 water and sewer flow and billing data (January 1, 2008 – December 31, 2008) appears in the following Table 1.

<b>Table 1</b>							
			<b># of Units</b>		<b>Out of</b>	<b>2008 TOTALS</b>	
		<b>Accts</b>	<b>Water</b>	<b>Sewer</b>	<b>Town</b>	<b>Flow (Gallons)</b>	<b>Billings</b>
<b>Water Summary</b>							
Water and Sewer Accounts		3,608	4,934			323,849,462	\$ 674,620.36
Water Only Accounts		55	62		37	2,002,503	\$ 19,399.40
	<b>Total Water</b>	<b>3,663</b>	<b>4,996</b>		<b>37</b>	<b>325,851,965</b>	<b>\$ 694,019.76</b>
<b>Sewer Summary</b>							
Water and Sewer Accounts		3,608		4,932		323,849,462	\$ 674,620.36
Sewer Only Accounts		14		19	-	2,514,181	\$ 5,609.49
	<b>Total Sewer</b>	<b>3,622</b>		<b>4,951</b>	<b>-</b>	<b>326,363,643</b>	<b>\$ 680,229.85</b>

Exhibit 1 presents a breakdown of the water consumption. This exhibit presents by customer type the number of units, the consumption and water billings for CY 2008. This exhibit illustrates over 50 types

of users that are organized by commercial/industrial, government, and residential users. In total, commercial/industrial users consumed 110,114,291 gallons or 33.8% of all water use. Governmental users (one federal account and 40 municipal accounts) consumed 1,152,028 gallons or 0.4%. Residential customers used 214,585.545 gallons or 65.9%. Thus, residential and commercial water use is about 67% and 33% respectively. Exhibit 1 also presents CY08 water billings by customer type. In summary, commercial/industrial customers accounted for \$246,023 or 35.4% with residential users accounting for \$447,887 or 64.5% of CY08 water billings. Governmental billings were insignificant as only the one federal customer was billed for \$49.65. Thus the commercial/industrial and residential usage very closely correspond to their respective billings.

Exhibit 2 presents a breakdown of the sewer flow. This exhibit presents by customer type the number of units, the flow and sewer billings for CY 2008. This exhibit illustrates over 50 types of users that are organized by commercial/industrial, government, and residential users. In total, commercial/industrial users consumed 111,976,764 gallons or 34% of all water use. Governmental users (one federal account and 40 municipal accounts) consumed 1,152,028 gallons or 0.4%. Residential customers used 213,234,851 gallons or 65.3%. Thus, residential and commercial water use is about 65% and 34% respectively. Exhibit 1 also presents CY08 sewer billings by customer type. In summary, commercial/industrial customers accounted for \$250,458 or 36.8% with residential use accounting for \$429,662 or 63% of CY08 sewer billings. Governmental billings were insignificant as only the one federal customer was billed for \$49.65. Thus, similar to water, the commercial/industrial and residential sewer usage very closely correspond to their respective sewer billings. Finally, Exhibits 1 and 2 show a remarkably close water and sewer use and water and sewer billings in total, by customer type, and by residential and commercial/industrial user.

The meter installations allow the Town to potentially change its rates from a cumbersome, often-manual, flat rate, unit based system to a metered system. At the same time, the Town would like to explore the potential of recovering part or all of the water and sewer costs from users, thus reducing or eliminating the tax subsidies. Thus the general goal of this study is to conduct a water and sewer rate study to transition from a flat rate fee to a metered billing system. Specific objectives are to:

- Analyze current water and wastewater revenues to identify missed opportunities
- Recommend typical cost allocations for customer classes such as industrial/commercial, residential, mixed use, multi-family, apartment complexes, municipal, churches, out-of-town users, and the like
- Propose water and wastewater rates and fees to enable the Town to recover cost equitably
- Review current water and sewer regulatory guidelines as they relate to current and proposed fees
- Produce data on rates and fees charged by other, comparable, water and wastewater utilities
- Recommend rate structure formulas to recapture the budget increased, unanticipated expenditures, and future capital investments, including debt
- Recommend system of abatements or refunds in accordance with standard industry practices for customers with financial hardships or victims of disasters

- Review current Town accounting procedures and recommend modifications to comply with recognized government accounting standards and applicable laws for reporting and for rate structural purposes.

This project has been refined to focus on recommending changes to the rate structure, rates, and related matters for CY10, commencing July 1, 2010. This project will in part provide financial projections based on Town assumptions for internal use by the Town of Seabrook and should not be relied upon by external third parties. This study is not an engineering analysis or a legal review or a financial audit of the water and sewer operations. Accordingly, this study does not present the financial position or the results of operations of the water and sewer operations.

## **WATER**

### **CY08 Water Consumption and Billings**

For CY 2008, 3,663 water accounts constituting 4,996 water units, consumed 325,851,965 gallons. Of these, 55 were water only (no sewer service) accounts which used about 2 million gallons. Of these, 37 were out of town accounts. Refer to Table 2 for a summary of the CY08 water consumption and billings.

Commercial/industrial customers accounted for 148 million gallons in CY08 and \$328,580 in billings. Industrial/commercial tiers are based on 100,000, 100,001 – 900,000, and greater than 1 million usage, charged at \$1.70, \$2.10 and \$2.40 respectively per tier. Refer to Table 3 for a summary of the CY08 commercial/industrial consumption and billings.

Residential and multi-family accounts represent about 176 million gallons in CY08. These accounts are billed annually based on up to 60,000 and greater than 60,000 gallon tiers, billed at \$60.00 and \$1.25 respectively per tier use. These accounts provided \$274,000 of billings in CY 2008. Refer to Table 4 for a summary of the CY08 residential and multi-family accounts.

### **Water Financing**

The preliminary FY10 water operating budget consists of \$1,244,714 of planned expenditures and estimates about \$581,765 of water revenues at current rates. Table 5 first summarizes the FY10 water budget expenditure and revenue numbers, all revenues are at current rates. There are three budgets presented: the base operating budget without debt service and capital, the base operating budget with debt service, and the base operating budget with debt service and capital.

1. The first is the \$1,244,714 FY10 operating budget that includes operating costs but excludes debt service and capital which are financed by the tax levy. This would result in a general fund subsidy of \$662,949 or about 53% of operating costs with water revenues constituting 47% of operating costs.
2. The second is the \$1,769,825 FY10 operating budget with debt service budget. When FY10 debt service costs are added, the general fund subsidy is increased from 53% to 67%. FY10 water debt service is \$525,111 and would increase the water budget to \$1,769,825.
3. The third is the \$1,820,011 FY10 operating budget with debt service and capital budget. When FY10 debt service and capital costs are added, the general fund

subsidy is increased to 68%. FY10 water capital would increase the water budget by \$50,186 to \$1,820,011. The revenue requirement for this study is based on the \$1,820,011 FY10 operating budget with debt service and capital budget.

## **SEWER**

### **CY08 Sewer Flow and Billings**

For CY 2008, 3,622 sewer accounts constituting 4,951 sewer units, contributed 326,363,643 gallons of flow. Of these, 14 were sewer only (no water service) accounts which contributed about 2.5 million gallons of flow. Refer to Exhibit 2 for a summary of the CY08 sewer flow and billings.

Commercial/industrial customers accounted for 150.2 million gallons in CY08 and \$332,673 in billings. Industrial/commercial tiers are based on 100,000, 100,001 – 900,000, and greater than 1 million gallons, charged at \$1.70, \$2.10 and \$2.40 respectively per tier, similar to water. Refer to Table 3 for a summary of the CY08 commercial/industrial consumption and billings.

Residential and multi-family accounts represent about 176 million gallons in CY08. These accounts are billed quarterly based on up to 60,000 and greater than 60,000 gallon tiers, billed at \$60.00 and \$1.25 respectively per tier use. These accounts provided \$263,000 of billings in CY 2008. Refer to Table 4 for a summary of the CY08 residential and multi-family accounts.

### **Sewer Financing**

The preliminary FY10 water operating budget consists of \$1,838,864 of planned expenditures and estimates about \$568,152 of sewer revenues at current rates. Table 5 also summarizes the FY10 sewer budget expenditure and revenue numbers, all revenues are at current rates. There are two budgets presented: the base operating budget without and capital, the base operating budget with capital. There is no existing sewer debt.

1. The first is the \$1,838,864 FY10 **operating budget** that includes operating costs but excludes capital costs that are financed by the tax levy. This would result in a general fund subsidy of over \$1.2 million or about 69% of operating costs with sewer revenues constituting 31% of operating costs.
2. The second is the \$2,065,464 FY10 **operating and capital budget**. When FY10 capital costs are added, the general fund subsidy is increased by \$226,600 to 73%. The revenue requirement for this study is based on the \$2,065,464 FY10 operating budget with capital.

### **WATER OUT OF TOWN ACCOUNTS**

There are 37 water out of town accounts that use about 1.4 million gallons of water, resulting in about \$4,000 of annual billings at current rates. There are 30 single family residents, five other residential and two commercial/industrial customers. The two commercial/industrial accounts consumed 64,941 gallons in CY08 and were billed \$220. The 35 residential accounts used 1,355,347 gallons and were billed \$3,700. These accounts benefit from the general fund subsidy and are paying about 29% of actual water costs. These accounts should be paying their full share of water costs without a general fund subsidy. A summary of water only account data is presented in Table 6.

## MUNICIPAL ACCOUNTS

There are 40 municipal accounts that used 905,982 gallons in CY08 with no revenues as these accounts are not billed. There are two Seabrook Beach Precinct accounts that use about 5,800 gallons that are classified as Municipal Accounts and are billed for the minimum amount. The municipal accounts would have generated \$2,631 of revenues at current rates if they were to be billed. Currently, these accounts are part of the general fund subsidy to the water and sewer funds. The issue is whether the water (and sewer) fund should bill the general fund for water (and sewer) use. Refer to Table 7 for details of municipal accounts.

## CHURCHES

There are 10 accounts classified as churches. These customers consumed 222,659 gallons in CY08 with no revenues as these accounts are not billed. These accounts would have generated \$602.10 of revenues at current rates. The issue is whether the water (and sewer) fund should bill churches. Refer to Table 8 for details of church accounts.

## FEES

The Town charges fees for connections and miscellaneous items. These fees include the following

### Connection Fees

#### Water Services

Connection Fee 1" or less	\$300 (Contractor Installation)
Connection Fee 1 ¼" or more	\$500 (Contractor Installation)
Inspection Fees \$100 per visit (New service or Replacement)	
	\$50//visit -any changes to existing services
Contracted Services	Actual costs plus 10%

#### Sewer Services

Connection Fee 6"	\$500 contractor installation
Connection Fee 8" or more	\$1,000 contractor installation
Inspection Fees \$100 per visit (New service or Replacement)	
	\$50//visit -any changes to existing services
Contracted Services	Actual costs plus 10%

### Miscellaneous Fees

Pressure and Leak Tests	\$100
Seasonal Water Turn On/Off	\$ 25 during regular business hours \$100 after hours' emergencies only Payment received before service rendered
Turn On (non-payment restoration)	\$ 25 during regular business hours \$100 after hours' emergencies only
Pressure and Leak Tests	\$100
Back Flow Testing	\$ 45 one device \$ 80 two devices \$105 three devices
Backflow Permit (application fee)	\$100 site survey/installation inspection
Hydrant Flow Testing	\$ 50

Late Payment Fee	\$ 10 /month/per unit per year
Bad Check Fee	\$ 25
Fines and Violations	Per Town Ordinance
Excavation Permit Fee	and/Certificate of Insurance (TBD)

Table 9 presents an analysis of the fees based on the Town’s labor, materials, capital, and fringe benefit costs for each fee. This table presents CY08 and CY09 data on the frequency and dollar amount of each fee and the resulting amount of fee revenue. In total, CY08 provided \$13,150 in fees while CY09 is estimated to provide around \$19,000. Table 9 also presents the cost basis of each fee. A general premise of rate making is that fees should reasonably reflect the costs to provide those services. Costs were analyzed based on labor (one or two person crew or administrative staff), expenses (parts and supplies), truck expense (depreciation allowance), and overhead. Generally, fees are aligned with costs. Table 9 also presents the existing fee and cost based fee. Generally, some fees can be changed to be cost based; however this change will not generate significant new revenues. One exception may be system development charges (SDC) which may present a missed opportunity. SDCs are discussed in the next section of this Report.

**SYSTEM DEVELOPMENT CHARGES**

The Town currently charges a connection fee to “hook” into the water and sewer systems. These fees generally recover the administrative costs to connect. New Hampshire statutes allow the use of impact fees, which is a fee or assessment imposed upon development, including subdivision, building construction or other land use change, in order to help meet the needs occasioned by that development for the construction or improvement of capital facilities owned or operated by the municipality, including and limited to water treatment and distribution facilities, wastewater treatment and disposal facilities, sanitary sewers, and other facilities. (NH Statutes 674:21).

The Town may want to consider implementing system development charges (SDC) as a way to assess the impact fee. These charges are designed specifically to pay for the capacity costs associated with growth. SDCs assign the capacity cost of growth at least in part to those causing the growth rather than to existing customers. During times of system growth, the District may make investments to provide service to the new development. An SDC is one method of funding these new facilities. Facilities most commonly funded by SDCs include source of supply, source water transmission, treatment facilities, high service pumping, and major transmission mains. Depending on local practices, the costs of distribution mains and other facilities may also be recovered by the SDC. This section of the Report discusses the concept of SDC for the Town to consider.

With respect to costs, there are generally two types of system development charges, the incremental cost method and the equity method.

**Incremental Cost Method**

The first is the incremental cost method which is based on the concept of new development paying for the incremental cost of system capacity needed to serve the new development. This approach proposes

to mitigate the cost impact of new growth on existing customers' user rates. The financial goal is to charge a fee for new customers sufficient to allow customer user rates to be revenue neutral with respect to growth of the system. This method computes the net investment in the water plant and translates the net investment to an average investment per equivalent 5/8" customer. Any new user would pay this charge. The incremental cost method assigns to new development the incremental cost of system expansion needed to serve the new development. The financial objective is to provide system expansion to serve new development without an undue impact on existing user charges. This approach is considered most appropriate when a significant portion of the capacity required to serve new customers must be provided by the construction of new facilities.

#### Equity Method

The second methodology is the equity method. This approach attempts to assess new customers a fee to approximate the equity or debt-free investment position of current customers. Thus the equity method is sometimes referred to as the "system buy-in" method. Under the equity method, the capital assets, net of accumulated depreciation and net of debt is calculated to derive a total equity investment in the water plant. The water plant's capacity is also computed to derive the average net equity per equivalent 5/8" customer. The financial goal is to achieve a level of equity from new customers by collecting an SDC representative of the average equity attributable to existing customers; an equity position between new and existing customers. Under the equity method, the base level of the SDC is established at the current level of system equity related to the capacity used to serve an existing equivalent residential customer. This approach is most appropriate where current system facilities adequately serve existing and future customers, where no new significant system investment is anticipated, and where existing facilities are not scheduled for replacement in the near future.

Either way may be appropriate, depending on the Town's financial circumstances, legal constraints, goals and objectives. In some instances particularly where some existing reserve capacity for growth is available and new capacity is planned, a combination of the two methods may be appropriate.

#### **SURVEYS**

The New Hampshire Department of Environmental Services performed a survey of some of the larger water systems in New Hampshire to gauge the cost of water service across the state. Although not a substitute for a comprehensive cost of service and rate analysis, the survey provides water systems with a general perspective of how their rates compare with similar water systems. One hundred fourteen of the 128 water systems polled responded to the 2006 Water Rate Survey questionnaire. A summary appears on the following table. NHDES plans to update the survey in 2010 based on 2009 data.

Description	Number	Perc
Flat Rate	56	49%
Declining Block	12	11%
Fixture Rate	5	4%
Inclining Block	13	11%
Other	3	3%
Single fee	5	4%
No Response	20	18%
<b>Total</b>	<b>114</b>	<b>100%</b>

The systems surveyed typically serve a residential population of over 500 people, provide fire flow capability, and generally are municipally owned. Survey results include:

- The average annual price of water for a single family home in New Hampshire was \$434, ranging from \$100 to \$1,000. Seabrook's most frequent bill was the minimum of \$60 and the average residential water bill was \$110. Thus the average price of water for a New Hampshire residential house is about 300% higher than Seabrook's \$110 average bill.
- 75 respondents stated that the water rates were not based on classes (residential, commercial and the like) while 21 communities have a class based rate system. Seabrook does not have a class based system.
- 95 of the respondents stated they do not have a seasonal rate structure. Seabrook does not have a season rate structure.
- On average, rates were last modified four years ago and 39 water systems anticipated a rate increase in 2007. Seabrook's last rate increase was two years ago.
- Those communities with minimum bills ranged from \$5 to \$457, with many falling between \$100 - \$200 per year. Seabrook's minimal bill is \$60 per unit with out of town customers paying \$100.

Beyond the cost of water service, the survey also included questions about billing frequency, connection fees, availability charges, capital reserve accounts, and many other questions related to financial management.

Massachusetts uses a variety of different rate structures as follows:

- 39% of the communities use a flat rate structure, 59% use an ascending block rate structure, and 2% use a flat fee. Seabrook has an ascending block rate structure for commercial/industrial accounts, and a \$60 per unit flat residential fee up to 60,000 gallons per year with an overage amount for the excess.
- To allow for a comparative analysis, the "typical" yearly homeowner's cost is based on consuming 120 hundred cubic feet (90,000 gallons) per year. The 2009 average is \$426 per household, representing an increase of 16.8% over 2006 averages. This average is similar to New Hampshire's \$434, about 300% higher than Seabrook's average annual water residential bills.
- 53% of the respondents use a quarterly billing cycle, 37% a semi-annual billing cycle, 6% monthly, and the remainder use an annual, bi monthly, or a tri-annual frequency. Seabrook uses a monthly or quarterly commercial/industrial and an annual residential billing system.
- 18% of the respondents reported they have a separate rate structure for businesses, 19% provide for an elderly discount, 5% provide an early payment discount, 9% provide seasonal

rates, and 8% provide low income discounts. Seabrook does not have a class based or seasonal rate system, does not provide for an early payment discount, and does not provide for a low income discount.

This study reviewed a number of New Hampshire and three Massachusetts communities. These are summarized on Table 10.

#### **ELDERLY**

The Town has asked the following questions with respect to elderly customers.

1. Is there a standard procedure or common treatment of similar facilities in New Hampshire municipalities?
2. What is the amount of revenue the Town has received over the past five (5) years from the senior citizen housing projects in water and sewer fees?
3. What is the estimated annual water use at these buildings now that meters are in place and the Town has some data with which to work?

**Question 1: Is there a standard procedure or common treatment of similar facilities in New Hampshire municipalities?**

We first contacted the New Hampshire Department of Environmental Services to see if NHDES had data on elderly water and sewer fee reductions or eliminations. NHDES does not collect data on elderly water and sewer discount programs.

We also contacted several New Hampshire utilities including Epping, Exeter, Portsmouth, Dover, Newmarket, Rochester, Kingston, East Kingston, Kensington, Newton, Statham, Brentwood, and Pennichuck, none had an elderly discount water or sewer program. Rochester has a program where an elderly person who applies for and receives a tax exemption, also receives an exemption towards their water.

**Question 2: What is the amount of revenue the Town has received over the past five (5) years from the senior citizen housing projects in water and sewer fees?**

Through December 31, 2007, these units were billed a flat rate of \$60 per unit. At 80 units, the elderly units generated \$4,800 in revenue for each of the last five years (80 units @ \$60 per unit = \$4,800) for a five-year total of \$24,000. Please note that effective January 1, 2008, the rate structure changed to \$60 per unit up to 60,000 gallons with \$1.25 per 1,000 gallons greater than 60,000 gallons.

**Question 3: What is the estimated annual water use at these buildings now that meters are in place and the Town has some data with which to work?**

The elderly housing buildings typically house one to two people in each unit. Meters were installed in January 2007. Thus the Town has read these meters about 16 times since the meters were installed, one meter at each building. The Seabrook Housing Authority uses about 699,000 gallons (Rear Building) and 826,000 gallons (Front Building), for a total annual use of 1,524,953 gallons.

The recommended rate structure if implemented will provide a lower first tier charge for both water and sewer which should accommodate most elderly customers.

#### **ACCOUNTING AND FINANCIAL REPORTING**

The Town accounts and reports water and sewer activities as special revenue funds. Under this method, water and sewer use a flow of current financial resources measurement focus. Only current assets and current liabilities generally are included on the balance sheet. Revenues and expenditures are recorded on the sources and uses basis of current financial resources. Long-term capital assets and long-term liabilities are recorded in the account groups and are not presented with the water and sewer special revenue funds.

The independent auditors have noted for the past several years that the general fund is subsidizing the water and sewer funds as noted earlier in this Report. The auditors further state that this situation must improve if the water and sewer funds are to remain as such and become self-supporting in the future. The auditors recommend the Town review the funds' budgeting and billing process more closely, look for areas where revenues may be increased, or whether or not it would be feasible to eliminate the funds and make them departments of the Town within the general fund.

Governments typically report water and sewer activities as enterprise funds. Enterprise funds are reported on the accrual basis as "Business-type Activities" that meet one of three specific criteria: (1) user fee revenues are restricted to pay debt service, (2) the government adopts a law to recover costs with fees, or (3) management sets a policy to recover operating and capital (depreciation or debt service) costs through fees. Thus most governments meet one of these three criteria. For Seabrook, none of the criteria are met to report water and sewer as an enterprise fund. Thus the accounting and reporting of water and sewer as special revenue funds is appropriate.

One related issue is whether or not the Town should set a policy to recover operating and capital (depreciation or debt service) costs through fees. This would mean a dramatic increase in user charges given the amount of the subsidy as previously reported. This Report illustrates the effects of full cost recovery on the water and sewer rates. The Town should consider reporting water and sewer funds as enterprise funds should the Town implement full cost recovery rates.

The Town has an adequate policy for abatements. The Town's regulations allow customers to apply for abatements for any reason. The abatement procedure calls for the water and sewer superintendents to make a recommendation to the Board of Selectmen on abatements. The Board of Selectmen is the decision maker for abatements. Thus the Board of Selectmen can opine on customers with financial hardships or victims of disasters.

#### **UNACCOUNTED FOR WATER**

Unaccounted-for water is the difference between the amount of water produced, or purchased, and the amount of water sold to all customers. Unaccounted-for water includes underground leakage, unauthorized use, unavoidable leakage, inaccurate master, industrial, commercial and domestic meters, and unusual causes. The State of New Hampshire's goal for unaccounted for water is 15%. Seabrook is

currently at 17.6% as shown in the following table, based on CY08 data. The Town could not measure unaccounted for water until all accounts were billed based on metered use.

Description	Gallons
Gallons Pumped	394,875,196
Gallons Billed	325,494,834
Difference	69,380,362
%	17.6%

However, the Town does not meter water use such as cemeteries, hydrant tests, fire system flushing or fire fighting. Thus, the Town should begin to meter or measure these uses, which when implemented, would reduce the unaccounted for water and should reduce it enough to meet the state’s goal.

**RATES**

One of the major objectives of this study is to determine what the water and rates would be to attain 50%, 75% and 100% rate recovery. This section addresses the recommendations for the Town to implement rates to recover 50%, 75% and 100% rate recovery. This section addresses consumption, billing analysis, service fee, revised tiers, and rates. As shown in Table 5, the Town will be subsidizing from the general fund 68% of water operating, debt and capital planned expenditures and 73% of sewer operating and capital costs for CY10 without a change in its rates and charges. These represent large tax subsidies to both water and sewer activities.

Residential customers have been billed a flat rate of \$60.00 per unit per year for each system with a few out-of-town users paying \$100 per year flat rate. Commercial/industrial users have been charge a water use rate of \$1.70 per 1,000 gallons for the first 100,000 gallons, \$2.10 per 1,000 gallons for the next 900,000 gallons, and \$2.40 per 1,000 thereafter. Sewer use charges are based on water consumption.

Consumption Ranges

As part of the rate analysis, consumption patterns were first analyzed. The number of water customers, water consumption, and water billings by ranges of use including individual ranges and cumulative ranges is presented in Table 11. Table 11 presents ranges of accounts, consumption, and billings based on increments of 20,000 gallons up to 100,000, then 100,001 through 1 million and over 1 million. This table shows that 45% of the accounts are generating 11% of the consumption and 17% of the revenues (up through 40,000 gallons). Correspondingly, 55% of the accounts (greater than 40,000 gallons) are generating 89% of the consumption and 83% of the billings. At the high use end, less than 1% of the accounts (22) are generating 32% of the use and 40% of the billings. Table 11 also shows that 72 customers did not use water in CY08, 45% of all water customers use less than 40,000 gallons of water during CY08, and among other customers, 451 used greater than 100,000 gallons during CY08.

The Town’s existing tiers are:

- Residential – up to 60,000 and greater than 60,000 gallons per year
- Commercial/Industrial – up to 100,000, 100,001 – 1,000,000, and greater than 1 million gallons per year

**Billing Analysis and Rate Model**

To assist the Town analyze consumption patterns, a billing analysis was prepared. This billing analysis captured the existing billing system for all users for CY08. A separate billing analysis was prepared for water and for sewer. This billing analysis was then used to model different tiers and rates.

**Minimum Bill and Service Charge**

The Town currently charges a minimum \$60.00 flat bill for water and for sewer up to 60,000 gallons per year per unit, whether or not 60,000 gallons were actually consumed. A minimum bill charges a customer a fixed volume of water delivered to the customer. Often a minimum bill is recognized as unfair in that the minimum charges a customer for consumption that the customer may not have used. A minimum bill generally encourages more water use if a customer is to be billed for a set amount and thus it is generally considered to work counter to conservation goals.

This study recommends the Town replace the minimum charge with a service charge. The service charge would replace the minimum charge and would be set to recover the administrative, billing, customer service and meter costs of the water and sewer systems equally from each customer or per account. This charge is not a function of flow, but a function of recovering service costs for the administrative, billing, customer service and meter costs. The service fee is a fixed fee that increases with meter size. Meter size is a function of meter equivalents, as recommended by the American Water Works Association (AWWA) as shown on the following table.

Size	#	% Meters	EQM Factor	EQM
0	14	0.4%		0
5/8	3,494	95.4%	1.0	3,494.0
3/4	20	0.5%	1.1	22.0
1	51	1.4%	1.4	71.4
1.5	24	0.7%	1.8	43.2
2	51	1.4%	2.9	147.9
3	8	0.2%	11.0	88.0
4		0.0%	14.0	-
6	2	0.1%	21.0	42.0
<b>Totals</b>	<b>3,664</b>	<b>100.0%</b>		<b>3,908.5</b>

This table summarizes the number and percentage of meters (3,664) by meter size, the equivalent meter factor, and the number of equivalent meters. Equivalent meters are expressed in terms of the ratio or meter sizes relative to a 5/8" meter, as stated in AWWA Manual 6 and Manual 1. Thus the Town is substantially 5/8" meters (95%), with 20 3/4", 51 1", 24 1.5", 51 2", 8 3" and 2 6" meters. This generates 3,908.5 meter equivalents. The administrative, billing, customer service and meter costs of the water system when divided by the number of meter equivalents generated a \$77 annual service fee per meter equivalent. Since the \$77 service fee is relatively close to the \$60 minimum charge, this study recommends the Town consider replacing the \$60 minimum charge with a \$60 service fee per equivalent meter. Flow based charges would be calculated based on the amount of water consumed. However, the flow based rates would be based on flow based costs, not the administrative, billing, customer service and meter costs.

## Revised Tier Structure

This study analyzed several tier structures. Table 12 presents CY08 flow and billing data by three alternative structures. Each presents four tiers, combining the two-tier residential and two-tier commercial blocks into one four tier system. Table 12 also presents potential billings relating to these tiers. The three alternatives differ in the first and second tiers. The first alternative presents the first tier at 40,000 gallons with tier 2 at 40,001 – 100,000 gallons. Alternative 2 presents the first tier at 50,000 gallons with tier 2 at 50,001 – 100,000 gallons. Alternative 3 presents the first tier at 60,000 gallons with tier 2 at 60,001 – 100,000 gallons (the current tiers). All three alternatives maintain the current commercial tiers at 100,001 – 1,000,000 gallons and greater than 1 million gallons.

As shown in Table 12, the current rate structure provides 45% of the consumption within the first tier, 10% in tier 2, 20% in tier 3 and 25% in tier 4. The Town would need to set a policy to describe what the Town desires from its tier structure. This study recommends a conservation based, ascending block tier structure; that the tier structure should protect the low end user, and charge the high end user proportionately more; that the more water used, the higher the user charge. To that end, the 40,000 tier seems to meet this objective. With a 40,000 tier, 36% of the use would flow through tier 1, 20% in tier 2, 20% in tier 3, and 25% in tier 4. Refer to Table 9 for further details.

Each maintains the 100,000, 1,000,000 and > 1 million tiered structure. However the three scenarios present the first tier at 40,000, 50,000 and 60,000 annual consumption. Based on the billing analysis, this study recommends the Town consider changing its tier structure to the following four-tier system for all users:

1. 1 – 40,000 gallons per year
2. 40,001 – 100,000 gallons per year
3. 100,001 – 1 million gallons per year
4. > 1 million gallons per year

This structure generally maintains the existing tier system with the exception of reducing the first tier to 40,000 to help protect the small end users. The 40,000 breakpoint better awards the smaller user and provides more flow and revenue in the second tier. The 40,001 – 100,000 block generally captures the average customer. The revenue distribution in tiers 3 and 4 generally equal the flow distribution. While each is considered a conservation based structure, the first option (40,000 tier 1) more evening distributes the flow and revenues among the four tiers.

## Rates

To implement a rate structure to recover 50%, 75% or 100% of total costs will result in much higher bills for the water and sewer customers. At 100% cost recovery, it will represent a substantial shift from paying property taxes which are based on the value of properties to user charges that are based on metered use and a service charge. Table 13 presents a summary of the impact of rates at 50%, 75% and 100% recovery. This table presents water and sewer rates with and without a service fee, the total flow charge, the total service fee, the total charges and a comparison to current bills. These rates reflect the rate structure discussed within this Report:

- Replace the minimum \$60 flat bill per unit with a \$60 service fee based on equivalent meters. This recommendation would foster conservation, would recover most of the administrative costs, would be cost based, and would represent an annual water bill for a customer that would not use any water service and an annual sewer bill for a customer that would not use any sewer service.
- Generally maintain the existing tier structure with the exception of lowering the first tier from 60,000 to 40,000 with the objective to protect the smaller user.
- Maintain the inclining block rate structure to promote conservation.

At 100% cost recovery, the water and sewer rates would be as shown on the following table. Water rates would be \$4.25 for the first tier, \$5.25, \$6.25, and \$7.25 for tiers 2 – 4 without a service fee. A water service fee would generate \$234,810. Thus the water tiered rates with a service fee would be less: \$3.58 for the first tier, \$4.58, \$5.58, and \$6.58 for tiers 2 – 4. Sewer follows the same logic with sewer rates generally 15% higher than water rates. The sewer service fee would generate \$235,470. This would be a major change in the way water and sewer would be financed.

<b>WATER</b>						Budget	\$ 1,820,011			
	1 - 40,000	40,001 - 100,000	100,001 - 1,000,000	> 1 M	Flow	Total	Current Billings			
Recovery	Tier 1	Tier 2	Tier 3	Tier 4	Charge	Charges	Amount	Increase	% Inc	
100%	\$ 4.25	\$ 5.25	\$ 6.25	\$ 7.25	\$ 1,820,161		\$ 1,820,161	\$ 596,012	\$ 1,224,149	205%
100%	\$ 3.58	\$ 4.58	\$ 5.58	\$ 6.58	\$ 1,601,927	\$ 234,810	\$ 1,836,737	\$ 596,012	\$ 1,240,725	208%
<b>SEWER</b>						Budget	\$ 2,065,464			
	1 - 40,000	40,001 - 100,000	100,001 - 1,000,000	> 1 M	Flow	Total	Current Billings			
Recovery	Tier 1	Tier 2	Tier 3	Tier 4	Charge	Charges	Amount	Increase	% Inc	
100%	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 2,064,823		\$ 2,064,823	\$ 596,012	\$ 1,468,811	246%
100%	\$ 4.30	\$ 5.30	\$ 6.30	\$ 7.30	\$ 1,836,774	\$ 235,470	\$ 2,072,244	\$ 596,012	\$ 1,476,232	248%

At 100% cost recovery, the following increase patterns would appear based on annual consumption as shown on the following table and Tables 13 and 14. Table 13 presents water and sewer rates at 50%, 75% and 100% recovery with and without the service fee. Table 14 presents water and sewer rate (the same data as Table 13) comparisons with and without the service charge.

The following table presents sample actual water use with and without the service fee. Note that the annual billings are the same except for the low end use. This table represents water use. Sewer billings would be about 15% higher than the projected water bills with or without the service charge. Thus the Town should consider implementing the service fee so that all user pay for their fair share of the water and sewer system. This table appears as Table 15.

Current Use (Gallons)	Current Bill	Flow Based Only			Flow and Service Charges		
		Projected Annual Bill	Projected Increase	Annual Bill	Projected Annual Bill	Projected Increase	Annual Bill
3,464,731	\$ 7,975	\$ 23,979	\$ 16,004	201%	\$ 23,979	\$ 16,004	201%
1,693,572	\$ 3,725	\$ 11,138	\$ 7,414	199%	\$ 11,138	\$ 7,414	199%
813,872	\$ 1,669	\$ 4,947	\$ 3,278	196%	\$ 4,947	\$ 3,278	196%
399,547	\$ 799	\$ 2,357	\$ 1,558	195%	\$ 2,357	\$ 1,558	195%
253,402	\$ 302	\$ 1,444	\$ 1,142	378%	\$ 1,444	\$ 1,142	378%
114,256	\$ 128	\$ 560	\$ 432	338%	\$ 560	\$ 432	338%
89,874	\$ 120	\$ 432	\$ 312	260%	\$ 432	\$ 312	260%
48,888	\$ 60	\$ 217	\$ 157	261%	\$ 217	\$ 157	261%
20,108	\$ 60	\$ 85	\$ 25	42%	\$ 85	\$ 25	42%
10,017	\$ 60	\$ 47	\$ (13)	-22%	\$ 43	\$ (17)	-29%
-	\$ 60	\$ -	\$ (60)	-100%	\$ 60	\$ -	0%

The high end user (greater than 400,000 gallons) generally will see a 200% increase to their water bill. The mid end user will generally see a 300% increase in their residential water bill. This is because the high end users are generally industrial/commercial customers that are currently paying at higher rate blocks. Also, the residential user, if the 100% cost recovery is implemented would be paying around the average residential bill as show in the New Hampshire and Massachusetts' rate surveys (Table 10).

## RECOMMENDATIONS

### 1. Convert from a flat rate billing system to a flow based system.

For years, the Town metered only commercial/industrial accounts. Residential accounts were not metered. Thus, the Town's water and sewer bills are based on a flat billing system for residential accounts and flow based for commercial/industrial users. Now that all accounts are metered, it is recommended that the town convert from a flat rate billing system to a flow based system effective January 1, 2010. The town has one-year of metered data upon which to issue flow based rates.

### 2. Eliminate the unit based charge.

The Town bills residential users a \$60.00 flat rate for a unit using up to 60,000 gallon of water a year. Two units would be billed \$120 for up to 60,000 gallons for each unit. The definition of a unit caused disputes often, resulting in frustration for both the customer and the Town. Also, accounting for units caused an administrative burden. By adopting recommendation #1, the Town would be billing on usage, and thus would not need to bill by units.

### 3. Eliminate the minimum bill.

The Town bills residential users a \$60.00 flat rate for a unit using up to 60,000 gallons of water a year, regardless of the amount of water consumed, as long as the amount is up to 60,000 gallons per year (with a few out-of-town users paying \$100 per year flat rate). This is not a conservation based rate. This practice may and often does encourage more water use. For example, a user consuming 30,000 gallons a year, knowing that he or she will be billed for 60,000 gallons, may and

often does use more water because they are going to be charged for that amount whether they use the water or not. There are 2,434 accounts (66%) (refer to Table 9) who consume less than 60,000 gallons per year. Thus the Town should consider eliminating the minimum bill.

**4. Consider a flow based and service fee billing system**

The Town should consider developing a flow based rate and a service fee billing system. The flow based rate would be based on actual flows, starting with the first gallon. The service fee would be based on recovering part or all of the administrative, customer service, billing, and metering costs. There is a cost of administration, reading, and billing whether the customer uses water or not. Thus, the service fee would recover some or all of these costs. The flow based charge would be based on actual water used. Should a customer not use any water, that customer would not be billed for water use, but would be billed for the service fee.

**5. Consider changing the Rate Blocks**

Residential customers have been billed a flat rate of \$60.00 per year for up to 60,000 gallons and \$1.25 per 1000 gallons for use greater than 60,000. Commercial/industrial users have been charged a water use rate of \$1.70 per 1,000 gallons for the first 100,000 gallons, \$2.10 per 1,000 gallons for the next 900,000 gallons, and \$2.40 per 1,000 thereafter. Sewer use charges are based on water consumption. The Town should consolidate the rate blocks into a single system and charge all users, residential, commercial, and industrial users based on usage. This study recommends the Town consider changing its tier structure to the following four-tier system for all users:

1. 1 – 40,000 gallons per year
2. 40,001 – 100,000 gallons per year
3. 100,001 – 1 million gallons per year
4. > 1 million gallons per year

**6. The Town should adjust their fee schedule consistent with the cost analysis presented in Table 9.**

The Town charges a number of fees for various water and sewer services. Most of the service fees are reasonable based on the costs to provide those services. A few however exceed their cost. Generally, a fee for service should be based on the costs to provide that service, or should not exceed the cost to provide that service. The Town may charge less than the costs to provide a service if the Town desires. Refer to Table 9 for a summary of fees.

**7. The Town should implement quarterly residential billings.**

The Town bills commercial and industrial users on a monthly or quarterly basis and residential users once a year. Now that all accounts are metered, the Town should read monthly, continue to bill commercial and industrial users on a monthly basis and bill residential users on a quarterly basis, effective January 1, 2011. This change would improve cash flow. Monthly reads for all accounts is recommended. The Town may want to phase this recommendation over time by first implementing a semi-annual billing system for residential accounts for peak summer and off peak winter use. This

would allow the Town to compile seasonal rate data to analyze whether seasonal rates may be appropriate for Seabrook.

**8. The Town should consolidate miscellaneous billings with quarterly billings.**

The Town issues several miscellaneous billings for meter plates and other items. These become separate bills issued periodically. The Town should consolidate these miscellaneous bills with the new quarterly billing system.

**9. The Town should consider system development charges.**

The Town should consider system development charges to finance large capital items. Refer to the fee section of this Report for details.

**10. The Town should begin to meter certain flows.**

The Town does not meter water use such as cemeteries, hydrant tests, fire system flushing or fire fighting. Thus, the Town should begin to meter or measure these uses, which when implemented, would reduce the unaccounted for water and should reduce it enough to meet the state's goal.

**11. The Town should consider establishing reserves as part of the water and sewer budgets.**

The Town should consider establishing water and sewer operating and capital replacement reserves as part of the budget. An operating reserve is used as a contingency and is usually established as a percent of the operating budget, generally from 5% to 15% of the operating budget. Based on a \$1.8 million budget, this would equate to \$90,000 - \$270,000. A capital reserve is used to finance a capital replacement in an emergency and is typically established equal to the most expensive capital item to replace such as a pump. Thus a capital reserve of \$100,000 - \$150,000 would be appropriate. These reserves can be built up over time.

**12. The Town should decide on the extent of full cost recovery through rates.**

The Town should decide the extent to which users should pay for water and sewer through user fees and charges. A full cost recovery system benefits the rate payers in the following ways.

- Users would be paying for the water and sewer costs based on usage, not based on their property values.
- Users would have more control over their water and sewer billings because they can control usage.
- The Town could charge municipal users for water and sewer use; this would be paid by the general fund. Refer to Table 7 and the Municipal Account analysis for further details.
- The out of town users should pay their full share of water and sewer costs through user charges as presented in Table 6 and discussed earlier.

A full cost recovery system benefits the tax payers in the following ways.

- Depending on the cost recovery percentage, the general fund subsidy to the water and sewer funds would be reduced. At 100% recovery, \$1.2 million would be diverted from the water fund to the general fund and an additional \$1.5 million from the sewer fund to the general fund for a total of \$2.7 million.
- The Town would be eligible for water and sewer grants by implementing a cost recovery user fee system.

## **NEXT STEPS**

This Report presents an analysis of the Town's water and sewer rates with twelve recommendations. Of these 12, the more immediate next steps are:

- The Town needs to review the recommendations contained in this Report and begin to implement these recommendations.
- The Town should focus on changing the residential billing system to a semi-annual or quarterly system. The Town may want to phase this in over time.
- The Town should determine the extent to which it wants to recover water and sewer costs through rates. This Report describes the impact of 50%, 75% and 100% cost recovery. Changing the rates impacts several recommendations.
  - Replacing the minimum charge with a service charge
  - Eliminating the concept of units and basing water and sewer rates on meter charges
  - Changing the rate blocks to a four tier system

The Town may wish to phase in the rates over time to achieve greater cost recovery, greater conservation, and greater equity.

	Unit Type	Water Units			Water Consumption (Gallons)				Water Billings			
		Water Sewer	Water Only	Totals	Water Sewer	Water Only	Sewer Only	Totals	Water Sewer	Water Only	Sewer Only	Totals
Comm/Ind	C/I	368	9	377	105,183,977	300,560		105,484,537	\$ 236,329.72	\$ 220.00		\$ 236,549.72
Comm/Ind	C/I - INACTIVE	1		1	-			-	\$ 60.00			\$ 60.00
Comm/Ind	C/I W/APT	21		21	3,392,653			3,392,653	\$ 7,028.54			\$ 7,028.54
Comm/Ind	C/I W/MH	1		1	67,781			67,781	\$ 89.19			\$ 89.19
Comm/Ind	C/I W/SFR	2		2	222,606			222,606	\$ 427.47			\$ 427.47
Comm/Ind	C/I-MOTEL	1		1	311,838			311,838	\$ 614.86			\$ 614.86
Comm/Ind	C/I-NON-PROFIT	1		1	318,780			318,780	\$ 629.44			\$ 629.44
Comm/Ind	C/I-WHSE	2		2	316,096			316,096	\$ 623.80			\$ 623.80
Governmental	MUNICIPAL	50		50	1,128,641			1,128,641	\$ 9.89			\$ 9.89
Governmental	US GOVT	1		1	23,387			23,387	\$ 39.76			\$ 39.76
N/A	N/A	1		1	-			-	\$ 60.00			\$ 60.00
Residential	CAMPERS	-	2	2	-			-	\$ -			\$ -
Residential	2 FAMILY BCH	298	1	299	8,675,933	50,172		8,726,105	\$ 21,192.77	\$ 3,010.32		\$ 24,203.09
Residential	2 SFR, APT, MH	4		4	212,096			212,096	\$ 240.00			\$ 240.00
Residential	2MH, C/I, MAN	4		4	174,291			174,291	\$ 240.00			\$ 240.00
Residential	3 FAMILY	6		6	207,843			207,843	\$ 360.00			\$ 360.00
Residential	3 FAMILY & MH	4		4	163,904			163,904	\$ 240.00			\$ 240.00
Residential	3 FAMILY BCH	47		47	1,108,282			1,108,282	\$ 2,820.00			\$ 2,820.00
Residential	4 FAMILY BCH	8		8	173,676			173,676	\$ 480.00			\$ 480.00
Residential	APT	7		7	256,560			256,560	\$ 455.79			\$ 455.79
Residential	APT 4-8	18		18	489,504			489,504	\$ 1,080.00			\$ 1,080.00
Residential	APT OVER 8	665	1	666	27,275,047	60,281		27,335,328	\$ 59,736.90			\$ 59,736.90
Residential	CONDEX	263		263	14,479,553			14,479,553	\$ 24,764.95			\$ 24,764.95
Residential	CONDEX BCH	17	1	18	409,996			409,996	\$ 1,020.00			\$ 1,020.00
Residential	CONDEX-MH	14		14	732,528			732,528	\$ 1,333.76			\$ 1,333.76
Residential	CONDO	6		6	250,300			250,300	\$ 360.00			\$ 360.00
Residential	CONDO APT	42		42	1,234,123			1,234,123	\$ 2,319.01			\$ 2,319.01
Residential	CONDO BCH	10		10	126,498	660		127,158	\$ 600.00	\$ 39.60		\$ 639.60
Residential	CONDO HOTEL	1		1	80,684			80,684	\$ 137.16			\$ 137.16
Residential	DUPLEX	12		12	662,113			662,113	\$ 1,158.72			\$ 1,158.72
Residential	GARAGE APT	1		1	91,431			91,431	\$ 177.87			\$ 177.87
Residential	HOTEL	36		36	7,193,260			7,193,260	\$ 15,166.24			\$ 15,166.24
Residential	HOUSE	-	1	1	-	93,199		93,199	\$ -	\$ 100.00		\$ 100.00
Residential	HSNG AUTH	80		80	1,601,242			1,601,242	\$ 3,282.61			\$ 3,282.61
Residential	MAN HOUSE	294	1	295	17,201,508			17,201,508	\$ 36,307.37			\$ 36,307.37
Residential	MH	51	1	52	3,298,758	14,600		3,313,358	\$ 7,650.50	\$ 100.00		\$ 7,750.50

	Unit Type	Water Units			Water Consumption (Gallons)				Water Billings			
		Water Sewer	Water Only	Totals	Water Sewer	Water Only	Sewer Only	Totals	Water Sewer	Water Only	Sewer Only	Totals
Residential	MH BCH	9		9	404,853			404,853	\$ 851.53			\$ 851.53
Residential	MH IN PARK	541		541	19,838,459			19,838,459	\$ 41,989.64			\$ 41,989.64
Residential	MH NO LAND	90	1	91	4,732,381	30,919		4,763,300	\$ 9,026.59	\$ 1,855.14		\$ 10,881.73
Residential	MH NO LAND - FRONT	1		1	27,811			27,811	\$ 60.00			\$ 60.00
Residential	MH NO LAND - REAR	1		1	76,098			76,098	\$ 120.36			\$ 120.36
Residential	MH PARK	1		1	1,129,197			1,129,197	\$ 2,370.07			\$ 2,370.07
Residential	MH W/APT	2		2	78,340			78,340	\$ 120.00			\$ 120.00
Residential	MULTI HOUSES	41	1	42	2,486,964	14,194		2,501,158	\$ 4,664.40	\$ 851.64		\$ 5,516.04
Residential	SFR	1,052	33	1,085	63,457,958	1,298,060		64,756,018	\$ 118,906.43	\$ 8,365.92		\$ 127,272.35
Residential	SFR - INACTIVE	1		1	-			-	\$ 60.00			\$ 60.00
Residential	SFR BCH	562	3	565	19,378,683	43,710		19,422,393	\$ 41,685.53	\$ 100.00		\$ 41,785.53
Residential	SFR NO LAND	2		2	98,057			98,057	\$ 120.00			\$ 120.00
Residential	SFR W/	7		7	385,839			385,839	\$ 752.36			\$ 752.36
Residential	SFR W/2 MH's	3		3	135,112			135,112	\$ 180.00			\$ 180.00
Residential	SFR W/APT	130	2	132	6,466,376			6,466,376	\$ 10,959.73	\$ 200.00		\$ 11,159.73
Residential	SFR W/MH	24		24	1,936,629			1,936,629	\$ 4,752.99			\$ 4,752.99
Residential	SFR-GARAGE	2		2	65,876			65,876	\$ 120.00			\$ 120.00
Residential	THREE FAMILY	4		4	149,086			149,086	\$ 240.00			\$ 240.00
Residential	TRLR PARK	1		1	81,062			81,062	\$ 137.81			\$ 137.81
Residential	TWO FAMILY	123	5	128	5,855,792	96,148		5,951,940	\$ 10,466.61	\$ 4,556.78		\$ 15,023.39
	<b>TOTALS</b>	<b>4,934</b>	<b>62</b>	<b>4,996</b>	<b>323,849,462</b>	<b>2,002,503</b>		<b>325,851,965</b>	<b>\$ 674,620.36</b>	<b>\$ 19,399.40</b>		<b>\$ 694,019.76</b>
	<b>Controls</b>			<b>4,996</b>	<b>323,849,462</b>	<b>2,002,503</b>		<b>325,851,965</b>	<b>\$ 674,620.36</b>	<b>\$ 19,399.40</b>		<b>\$ 694,019.76</b>
	Comm/Ind	397	9	406	109,813,731	300,560	-	110,114,291	245,803	\$ 220.00	\$ -	\$ 246,023.03
	Governmental	51	-	51	1,152,028	-	-	1,152,028	50	\$ -	\$ -	\$ 49.65
	Residential	4,485	53	4,538	212,883,703	1,701,943	-	214,585,646	428,708	\$ 19,179.40	\$ -	\$ 447,887.09
	N/A	1	-	1	-	-	-	-	60	\$ -	\$ -	\$ 60.00
	<b>Totals</b>	<b>4,934</b>	<b>62</b>	<b>4,996</b>	<b>323,849,462</b>	<b>2,002,503</b>	<b>-</b>	<b>325,851,965</b>	<b>674,620</b>	<b>\$ 19,399.40</b>	<b>\$ -</b>	<b>\$ 694,019.76</b>
	Comm/Ind	8.0%	14.5%	8.1%	33.9%	15.0%	-	33.8%	36.4%	1.1%	-	35.4%
	Governmental	1.0%	0.0%	1.0%	0.4%	0.0%	-	0.4%	0.0%	0.0%	-	0.0%
	Residential	90.9%	85.5%	90.8%	65.7%	85.0%	-	65.9%	63.5%	98.9%	-	64.5%
	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	-	0.0%	0.0%	0.0%	-	0.0%
	<b>Totals</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>100.0%</b>

	Unit Type	Sewer Units				Sewer Flow (Gallons)				Sewer Billings			
		Water Sewer	Water Only	Sewer Only	Totals	Water Sewer	Water Only	Sewer Only	Totals	Water Sewer	Water Only	Sewer Only	Totals
Comm/Ind	C/I	368			368	105,183,977		2,163,033	107,347,010	\$ 236,329.72		\$ 4,655.04	\$ 240,984.76
Comm/Ind	C/I - INACTIVE	1			1	-		-	-	\$ 60.00			\$ 60.00
Comm/Ind	C/I W/APT	21			21	3,392,653			3,392,653	\$ 7,028.54			\$ 7,028.54
Comm/Ind	C/I W/MH	1			1	67,781			67,781	\$ 89.19			\$ 89.19
Comm/Ind	C/I W/SFR	2			2	222,606			222,606	\$ 427.47			\$ 427.47
Comm/Ind	C/I-MOTEL	1			1	311,838			311,838	\$ 614.86			\$ 614.86
Comm/Ind	C/I-NON-PROFIT	1			1	318,780			318,780	\$ 629.44			\$ 629.44
Comm/Ind	C/I-WHSE	2			2	316,096			316,096	\$ 623.80			\$ 623.80
Governmental	MUNICIPAL	50			50	1,128,641			1,128,641	\$ 9.89			\$ 9.89
Governmental	US GOVT	1			1	23,387			23,387	\$ 39.76			\$ 39.76
N/A	N/A	1			1	-			-	\$ 60.00			\$ 60.00
Residential	CAMPERS	-			-	-			-	\$ -			\$ -
Residential	2 FAMILY BCH	298			298	8,675,933			8,675,933	\$ 21,192.77			\$ 21,192.77
Residential	2 SFR, APT, MH	4			4	212,096			212,096	\$ 240.00			\$ 240.00
Residential	2MH, C/I, MAN	4			4	174,291			174,291	\$ 240.00			\$ 240.00
Residential	3 FAMILY	6			6	207,843			207,843	\$ 360.00			\$ 360.00
Residential	3 FAMILY & MH	4			4	163,904			163,904	\$ 240.00			\$ 240.00
Residential	3 FAMILY BCH	47			47	1,108,282			1,108,282	\$ 2,820.00			\$ 2,820.00
Residential	4 FAMILY BCH	8			8	173,676			173,676	\$ 480.00			\$ 480.00
Residential	APT	7			7	256,560			256,560	\$ 455.79			\$ 455.79
Residential	APT 4-8	18		6	24	489,504		75,072	564,576	\$ 1,080.00		\$ 330.00	\$ 1,410.00
Residential	APT OVER 8	665		3	668	27,275,047			27,275,047	\$ 59,736.90			\$ 59,736.90
Residential	CONDEX	263			263	14,479,553			14,479,553	\$ 24,764.95			\$ 24,764.95
Residential	CONDEX BCH	17			17	409,996			409,996	\$ 1,020.00			\$ 1,020.00
Residential	CONDEX-MH	14			14	732,528			732,528	\$ 1,333.76			\$ 1,333.76
Residential	CONDO	6			6	250,300			250,300	\$ 360.00			\$ 360.00
Residential	CONDO APT	42			42	1,234,123			1,234,123	\$ 2,319.01			\$ 2,319.01
Residential	CONDO BCH	10			10	126,498			126,498	\$ 600.00			\$ 600.00
Residential	CONDO HOTEL	1			1	80,684			80,684	\$ 137.16			\$ 137.16
Residential	DUPLEX	12			12	662,113			662,113	\$ 1,158.72			\$ 1,158.72
Residential	GARAGE APT	1			1	91,431			91,431	\$ 177.87			\$ 177.87
Residential	HOTEL	36			36	7,193,260			7,193,260	\$ 15,166.24			\$ 15,166.24
Residential	HOUSE	-			-	-			-	\$ -			\$ -
Residential	HSNG AUTH	80			80	1,601,242			1,601,242	\$ 3,282.61			\$ 3,282.61
Residential	MAN HOUSE	294		1	295	17,201,508		44,965	17,246,473	\$ 36,307.37		\$ 60.00	\$ 36,367.37
Residential	MH	51			51	3,298,758			3,298,758	\$ 7,650.50			\$ 7,650.50

	Unit Type	Sewer Units				Sewer Flow (Gallons)				Sewer Billings			
		Water Sewer	Water Only	Sewer Only	Totals	Water Sewer	Water Only	Sewer Only	Totals	Water Sewer	Water Only	Sewer Only	Totals
Residential	MH BCH	9			9	404,853			404,853	\$ 851.53			\$ 851.53
Residential	MH IN PARK	541			541	19,838,459			19,838,459	\$ 41,989.64			\$ 41,989.64
Residential	MH NO LAND	90		1	91	4,732,381		45,251	4,777,632	\$ 9,026.59	\$ 60.00		\$ 9,086.59
Residential	MH NO LAND - FRONT	1			1	27,811			27,811	\$ 60.00			\$ 60.00
Residential	MH NO LAND - REAR	1			1	76,098			76,098	\$ 120.36			\$ 120.36
Residential	MH PARK	1			1	1,129,197			1,129,197	\$ 2,370.07			\$ 2,370.07
Residential	MH W/APT	2			2	78,340			78,340	\$ 120.00			\$ 120.00
Residential	MULTI HOUSES	41			41	2,486,964			2,486,964	\$ 4,664.40			\$ 4,664.40
Residential	SFR	1,050		7	1,057	63,457,958		152,018	63,609,976	\$ 118,906.43	\$ 444.43		\$ 119,350.86
Residential	SFR - INACTIVE	1			1	-			-	\$ 60.00			\$ 60.00
Residential	SFR BCH	562		1	563	19,378,683		33,842	19,412,525	\$ 41,685.53	\$ 60.00		\$ 41,745.53
Residential	SFR NO LAND	2			2	98,057			98,057	\$ 120.00			\$ 120.00
Residential	SFR W/	7			7	385,839			385,839	\$ 752.36			\$ 752.36
Residential	SFR W/2 MH's	3			3	135,112			135,112	\$ 180.00			\$ 180.00
Residential	SFR W/APT	130			130	6,466,376			6,466,376	\$ 10,959.73			\$ 10,959.73
Residential	SFR W/MH	24			24	1,936,629			1,936,629	\$ 4,752.99			\$ 4,752.99
Residential	SFR-GARAGE	2			2	65,876			65,876	\$ 120.00			\$ 120.00
Residential	THREE FAMILY	4			4	149,086			149,086	\$ 240.00			\$ 240.00
Residential	TRLR PARK	1			1	81,062			81,062	\$ 137.81			\$ 137.81
Residential	TWO FAMILY	123			123	5,855,792			5,855,792	\$ 10,466.61			\$ 10,466.61
	<b>TOTALS</b>	<b>4,932</b>	<b>-</b>	<b>19</b>	<b>4,951</b>	<b>323,849,462</b>	<b>-</b>	<b>2,514,181</b>	<b>326,363,643</b>	<b>\$ 674,620.36</b>	<b>\$ -</b>	<b>\$ 5,609.47</b>	<b>\$ 680,229.83</b>
	<b>Controls</b>				<b>4,951</b>	<b>325,851,965</b>		<b>2,514,181</b>	<b>326,363,643</b>	<b>\$ 674,620.36</b>		<b>\$ 5,609.47</b>	<b>\$ 680,229.83</b>
	Comm/Ind	397	-	-	397	109,813,731	-	2,163,033	111,976,764	\$ 245,803.03	\$ -	\$ 4,655.04	\$ 250,458.07
	Governmental	51	-	-	51	1,152,028	-	-	1,152,028	\$ 49.65	\$ -	\$ -	\$ 49.65
	Residential	4,483	-	19	4,502	212,883,703	-	351,148	213,234,851	\$ 428,707.69	\$ -	\$ 954.43	\$ 429,662.12
	N/A	1	-	-	1	-	-	-	-	\$ 60.00	\$ -	\$ -	\$ 60.00
	<b>Totals</b>	<b>4,932</b>	<b>-</b>	<b>19</b>	<b>4,951</b>	<b>323,849,462</b>	<b>-</b>	<b>2,514,181</b>	<b>326,363,643</b>	<b>\$ 674,620.36</b>	<b>\$ -</b>	<b>\$ 5,609.47</b>	<b>\$ 680,229.83</b>
	Comm/Ind	8.0%		0.0%	8.0%	33.9%		86.0%	34.3%	36.4%		83.0%	36.8%
	Governmental	1.0%		0.0%	1.0%	0.4%		0.0%	0.4%	0.0%		0.0%	0.0%
	Residential	90.9%		100.0%	90.9%	65.7%		14.0%	65.3%	63.5%		17.0%	63.2%
	N/A	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%
	<b>Totals</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>

			Out of	2008
	Accts	Units	Town	Gallons
<b>Water Summary</b>				
Water and Sewer Accounts	3,608	4,934		323,849,462
Water Only Accounts	55	62	37	2,002,503
<b>Total Water</b>	<b>3,663</b>	<b>4,996</b>	<b>37</b>	<b>325,851,965</b>
<b>Sewer Summary</b>				
Water and Sewer Accounts	3,608	4,932		323,849,462
Sewer Only Accounts	14	19		2,514,181
<b>Total Sewer</b>	<b>3,622</b>	<b>4,951</b>		<b>326,363,643</b>

	2008 Commercial/Industrial Consumption				2008 Commercial/Industrial Billings			
	100,000	900,000	> 1,000,000	Total	\$ 1.70	\$ 2.10	\$ 2.40	Total
<b>Water Summary</b>								
Water and Sewer Accounts	18,297,582	48,539,190	81,266,400	148,103,172	\$ 31,106	\$ 101,932	\$ 195,039	\$ 328,078
Water Only Accounts	295,900	-	-	295,900	\$ 503	\$ -	\$ -	\$ 503
<b>Total Water</b>	<b>18,593,482</b>	<b>48,539,190</b>	<b>81,266,400</b>	<b>148,399,072</b>	<b>\$ 31,609</b>	<b>\$ 101,932</b>	<b>\$ 195,039</b>	<b>\$ 328,581</b>
<b>Sewer Summary</b>								
Water and Sewer Accounts	18,297,582	48,539,190	81,266,400	148,103,172	\$ 31,106	\$ 101,932	\$ 195,039	\$ 328,078
Sewer Only Accounts	200,000	1,520,794	442,239	2,163,033	\$ 340	\$ 3,194	\$ 1,061	\$ 4,595
<b>Total Sewer</b>	<b>18,497,582</b>	<b>50,059,984</b>	<b>81,708,639</b>	<b>150,266,205</b>	<b>\$ 31,446</b>	<b>\$ 105,126</b>	<b>\$ 196,101</b>	<b>\$ 332,673</b>

	2008 Un Metered and Metered			2008 Un Metered and Metered		
	Residential and Multi Family Consumption			Residential and Multi Family Billings		
	60,000	>60,000	Total	\$ 60.00 60,000	\$ 1.25 >60,000	Total
<b>Water Summary</b>						
Water and Sewer Accounts	134,033,005	41,652,054	175,685,059	\$ 219,888	\$ 42,580	\$ 262,469
Water Only Accounts	286,315	-	286,315	\$ 11,423	\$ -	\$ 11,423
<b>Total Water</b>	<b>134,319,320</b>	<b>41,652,054</b>	<b>175,971,374</b>	<b>\$ 231,311</b>	<b>\$ 42,580</b>	<b>\$ 273,891</b>
<b>Sewer Summary</b>						
Water and Sewer Accounts	134,033,005	41,652,054	175,685,059	\$ 219,888	\$ 42,580	\$ 262,469
Sewer Only Accounts	316,534	34,614	351,148	\$ 990	\$ 24	\$ 1,014
<b>Total Sewer</b>	<b>134,349,539</b>	<b>41,686,668</b>	<b>176,036,207</b>	<b>\$ 220,878</b>	<b>\$ 42,605</b>	<b>\$ 263,483</b>

			OPERATING BUDGET		OPERATING BUDGET	
WATER BUDGET CY10	OPERATING BUDGET		WITH DEBT SERVICE		WITH DEBT AND CAPITAL	
Expenditures	Amount	Perc	Amount	Perc	Amount	Perc
Total Operating Budget	\$ 1,244,713.96		\$ 1,244,713.96		\$ 1,244,713.96	
Water Debt Service	\$ -		\$ 525,111.00		\$ 525,111.00	
Water Capital	\$ -		\$ -		\$ 50,186.00	
<b>Total Water Budget</b>	<b>\$ 1,244,713.96</b>		<b>\$ 1,769,824.96</b>		<b>\$ 1,820,010.96</b>	
<b>Revenues</b>						
Water Use Billings	\$ 563,450.00		\$ 563,450.00		\$ 563,450.00	
Water Late Fee Billings	\$ 3,315.00		\$ 3,315.00		\$ 3,315.00	
Install/Inspect Misc	\$ 15,000.00		\$ 15,000.00		\$ 15,000.00	
Sub Total	\$ 581,765.00	46.7%	\$ 581,765.00	32.9%	\$ 581,765.00	32.0%
General Fund Subsidy	\$ 662,948.96	53.3%	\$ 1,188,059.96	67.1%	\$ 1,238,245.96	68.0%
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 1,244,713.96</b>	<b>100.0%</b>	<b>\$ 1,769,824.96</b>	<b>100.0%</b>	<b>\$ 1,820,010.96</b>	<b>100.0%</b>
<b>SEWER BUDGET CY10*</b>						
	OPERATING BUDGET				OPERATING BUDGET	
	WITH CAPITAL					
Expenditures	Amount	Perc			Amount	Perc
Total Operating Budget	\$ 1,838,864.00				\$ 1,838,864.00	
Sewer Capital	\$ -				\$ 226,600.00	
<b>Total Water Budget</b>	<b>\$ 1,838,864.00</b>				<b>\$ 2,065,464.00</b>	
<b>Revenues</b>						
Sewer Use Billings	\$ 564,837.00				\$ 564,847.00	
Sewer Late Fee Billings	\$ 3,315.00				\$ 3,315.00	
Install/Inspect Misc	\$ -				\$ -	
Sub Total	\$ 568,152.00	30.9%			\$ 568,162.00	27.5%
General Fund Subsidy	\$ 1,270,712.00	69.1%			\$ 1,497,302.00	72.5%
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 1,838,864.00</b>	<b>100.0%</b>			<b>\$ 2,065,464.00</b>	<b>100.0%</b>
*There is no existing sewer debt						

Town of Seabrook  
Water and Sewer Rate Study

T6 Water Out of Town Customers

# of Units	Type	Unit Type	Out of Town	Flow	Billings
9	C/I	C/I	2	64,941	\$ 220
1	Residential	HOUSE	1	93,199	\$ 100
1	Residential	MH	1	14,600	\$ 100
1	Residential	SFR	30	1,208,628	\$ 3,000
33	Residential	SFR BCH	1	15,385	\$ 100
3	Residential	SFR W/APT	1		\$ 200
5	Residential	TWO FAMILY	1	23,535	\$ 200
<b>53</b>		<b>TOTALS</b>	<b>37</b>	<b>1,420,288</b>	<b>\$ 3,920</b>

Town of Seabrook  
Water and Sewer Rate Study

Name	# of Units		Unit Type	Out of Town	Meter Size	2008			\$ 60.00		\$ 1.25	
	W	S				Gallons	60,000	>60,000	Total	60,000	>120,000	Total
SEABROOK BEACH PRECINCT*	1	1	MUNICIPAL		5/8"	3,276	3,276	-	3,276	\$ 60		\$ 60
SEABROOK BEACH PRECINCT*	1	1	MUNICIPAL		5/8"	2,540	2,540	-	2,540	\$ 60		\$ 60
TOWN OF SEABROOK - PS 1	1	1	MUNICIPAL		5/8"	109	109	-	109	\$ 60		\$ 60
TOWN OF SEABROOK - PS 18	1	1	MUNICIPAL		5/8"	-	-	-	-			
TOWN OF SEABROOK - REC	1	1	MUNICIPAL		2"	153,007	60,000	93,007	153,007	\$ 60	\$ 116	\$ 176
TOWN OF SEABROOK - SFD	1	1	MUNICIPAL		2"	98,190	60,000	38,190	98,190	\$ 60	\$ 48	\$ 108
TOWN OF SEABROOK - WWTP	1	1	MUNICIPAL		5/8"	93,795	60,000	33,795	93,795	\$ 60	\$ 42	\$ 102
TOWN OF SEABROOK - BRW 4	1	1	MUNICIPAL		5/8"	89,390	60,000	29,390	89,390	\$ 60	\$ 37	\$ 97
TOWN OF SEABROOK - BRW 5	1	1	MUNICIPAL		5/8"	88,363	60,000	28,363	88,363	\$ 60	\$ 35	\$ 95
TOWN OF SEABROOK - BRW 5	1	1	MUNICIPAL		1"	69,724	60,000	9,724	69,724	\$ 60	\$ 12	\$ 72
TOWN OF SEABROOK - SPD	1	1	MUNICIPAL		2"	57,371	57,371	-	57,371	\$ 60		\$ 60
TOWN OF SEABROOK - LIBRARY	1	1	MUNICIPAL		1"	57,265	57,265	-	57,265	\$ 60		\$ 60
TOWN OF SEABROOK - LOT	1	1	MUNICIPAL		5/8"	44,666	44,666	-	44,666	\$ 60		\$ 60
TOWN OF SEABROOK - TH	1	1	MUNICIPAL		5/8"	43,603	43,603	-	43,603	\$ 60		\$ 60
TOWN OF SEABROOK - SANBORN	1	1	MUNICIPAL		5/8"	22,650	22,650	-	22,650	\$ 60		\$ 60
TOWN OF SEABROOK - DPW	1	1	MUNICIPAL		3/4"	22,172	22,172	-	22,172	\$ 60		\$ 60
TOWN OF SEABROOK - TRANSFER	1	1	MUNICIPAL		5/8"	20,395	20,395	-	20,395	\$ 60		\$ 60
TOWN OF SEABROOK - VMP	1	1	MUNICIPAL		5/8"	12,720	12,720	-	12,720	\$ 60		\$ 60
TOWN OF SEABROOK - GWP	1	1	MUNICIPAL		5/8"	6,863	6,863	-	6,863	\$ 60		\$ 60
TOWN OF SEABROOK - PS 17	1	1	MUNICIPAL		5/8"	4,519	4,519	-	4,519	\$ 60		\$ 60
TOWN OF SEABROOK - PS 9	1	1	MUNICIPAL		5/8"	2,982	2,982	-	2,982	\$ 60		\$ 60
TOWN OF SEABROOK - GPW 4	1	1	MUNICIPAL		5/8"	2,589	2,589	-	2,589	\$ 60		\$ 60
TOWN OF SEABROOK - GPW 2	1	1	MUNICIPAL		5/8"	1,852	1,852	-	1,852	\$ 60		\$ 60
TOWN OF SEABROOK - PS 7	1	1	MUNICIPAL		5/8"	1,253	1,253	-	1,253	\$ 60		\$ 60
TOWN OF SEABROOK - GPW 1	1	1	MUNICIPAL		5/8"	1,118	1,118	-	1,118	\$ 60		\$ 60
TOWN OF SEABROOK - PS 11	1	1	MUNICIPAL		5/8"	933	933	-	933	\$ 60		\$ 60
TOWN OF SEABROOK - PS 12	1	1	MUNICIPAL		5/8"	863	863	-	863	\$ 60		\$ 60
TOWN OF SEABROOK - PS 2	1	1	MUNICIPAL		5/8"	850	850	-	850	\$ 60		\$ 60
TOWN OF SEABROOK - PS 19	1	1	MUNICIPAL		1"	593	593	-	593	\$ 60		\$ 60
TOWN OF SEABROOK - PS 8	1	1	MUNICIPAL		5/8"	586	586	-	586	\$ 60		\$ 60
TOWN OF SEABROOK - GRUHN	1	1	MUNICIPAL		5/8"	561	561	-	561	\$ 60		\$ 60
TOWN OF SEABROOK - PS 6	1	1	MUNICIPAL		5/8"	527	527	-	527	\$ 60		\$ 60
TOWN OF SEABROOK - PS 16	1	1	MUNICIPAL		5/8"	458	458	-	458	\$ 60		\$ 60

Name	# of Units		Unit Type	Out of Town	Meter Size	2008			\$ 60.00		\$ 1.25	Total
	W	S				Gallons	60,000	>60,000	Total	60,000	>120,000	
TOWN OF SEABROOK - PS 3	1	1	MUNICIPAL		5/8"	100	100	-	100	\$ 60		\$ 60
TOWN OF SEABROOK - PS 5	1	1	MUNICIPAL		5/8"	99	99	-	99	\$ 60		\$ 60
TOWN OF SEABROOK - BRW 3	1	1	MUNICIPAL		5/8"	-	-	-	-	\$ 60		\$ 60
TOWN OF SEABROOK - BRW 2	1	1	MUNICIPAL		5/8"	-	-	-	-	\$ 60		\$ 60
TOWN OF SEABROOK - BRW 1	1	1	MUNICIPAL		5/8"	-	-	-	-	\$ 60		\$ 60
TOWN OF SEABROOK - GPW 3	1	1	MUNICIPAL		5/8"		-	-	-	\$ 60		\$ 60
TOWN OF SEABROOK - GENERATOR	1	1	MUNICIPAL		5/8"		-	-	-	\$ 60		\$ 60
	<b>40</b>	<b>40</b>				<b>905,982</b>	<b>673,513</b>	<b>232,469</b>	<b>905,982</b>	<b>\$ 2,340</b>	<b>\$ 291</b>	<b>\$ 2,631</b>
*Considered municipal accounts; billed on actual use as a commercial/industrial account												

Town of Seabrook  
Water and Sewer Rate Study

Name	Units		Meter	2008 Gallons	60,000	>60,000	Total	\$60.00	\$ >60,000 or >120,000	1.25	Total
	W	S									
CHURCH OF CHRIST	1	1	MUNICIPAL/CHURCH	5/8"	61,680	60,000	1,680	61,680	\$60.00	\$2.10	\$62.10
RAND MEMORIAL CHURCH (PARSONAG	1	1	MUNICIPAL/CHURCH	5/8"	57,288	57,288	-	57,288	\$60.00	\$0.00	\$60.00
FOUR CORNERS ADVENT CHRISTIAN	1	1	MUNICIPAL/CHURCH	5/8"	35,156	35,156	-	35,156	\$60.00	\$0.00	\$60.00
CHURCH OF CHRIST (PARSONAGE)	1	1	MUNICIPAL/CHURCH	5/8"	34,037	34,037	-	34,037	\$60.00	\$0.00	\$60.00
TRINITY UNITED CHURCH (FUNCTIO	1	1	MUNICIPAL/CHURCH	5/8"	13,977	13,977	-	13,977	\$60.00	\$0.00	\$60.00
CATHOLIC CHURCH	1	1	MUNICIPAL/CHURCH	5/8"	9,285	9,285	-	9,285	\$60.00	\$0.00	\$60.00
TRINITY CHURCH	1	1	MUNICIPAL/CHURCH	5/8"	4,757	4,757	-	4,757	\$60.00	\$0.00	\$60.00
FOUR CORNERS ADVENT CHRISTIAN	1	1	MUNICIPAL/CHURCH	5/8"	4,200	4,200	-	4,200	\$60.00	\$0.00	\$60.00
RAND MEMORIAL CHURCH	1	1	MUNICIPAL/CHURCH	5/8"	1,616	1,616	-	1,616	\$60.00	\$0.00	\$60.00
TRINITY UNITED CHURCH (PARSONA	1	1	MUNICIPAL/CHURCH	5/8"	663	663	-	663	\$60.00	\$0.00	\$60.00
	<b>10</b>	<b>10</b>			<b>222,659</b>	<b>60,000</b>	<b>162,659</b>	<b>222,659</b>	<b>\$600.00</b>	<b>\$2.10</b>	<b>\$602.10</b>

DESCRIPTION	EXISTING			#CY09			FEE BASED	COMMENT
	# CY08	FEE	REVENUE	YTD	FEE	REVENUE	ON COSTS	
<b>Water</b>								
Connection Fee 1" or less	10	\$ 300	\$ 3,000	31	\$ 300	\$ 9,300	\$ 200	Contractor Installation
Connection Fee 1 1/4" or more	10	\$ 500	\$ 5,000	5	\$ 500	\$ 2,500	\$ 200	Contractor Installation
Inspection Fees	18	\$ 100	\$ 1,800	41	\$ 100	\$ 4,100	\$ 100	\$33 Per Visit up to three visits, \$33 per visit after
Inspection Fees	13	\$ 50	\$ 650	7	\$ 50	\$ 350	\$ 130	Any change to existing services (ave 4 visits)
Contracted Services								Actual costs plus 10%
Pressure and Leak Tests	4	\$ 100	\$ 400	5	\$ 100	\$ 500	\$ 75	Per test
Seasonal Water Turn On/Off	20	\$ 25	\$ 500	78	\$ 25	\$ 1,950	\$ 100	During regular business hours. Charge for non payment
								Turn on non payment restorations
Seasonal Water Turn On/Off	0	\$ 100	\$ -	0	\$ 100	\$ -	\$ 300	After hours emergencies only (minimum 3 hours)
								Turn on non payment restorations
Back Flow Permit Applicatons	16	\$ 100	\$ 1,600	4	\$ 100	\$ 400	\$ 25	Site survey/installation inspection new devices
Meter Removal		\$ 25	\$ -		\$ 25	\$ -	\$ 75	\$75 for the removal and \$75 for the re install
Back Flow Testing		\$ 45	\$ -		\$ 45	\$ -	\$ 75	One devise
Back Flow Testing		\$ 80	\$ -		\$ 80	\$ -	\$ 75	Two devises
Back Flow Testing		\$ 105	\$ -		\$ 105	\$ -	\$ 75	Three devises
Hydrant Flow Testing	4	\$ 50	\$ 200	3	\$ 50	\$ 150	\$ 80	Application and test
Late Payment Fee								12% APR after 30 days delinquency
Bad Check Fee		\$ 25	\$ -		\$ 25	\$ -	\$ 25	Per bad check
Fines and Violations								Per Town Ordinance
Excavation Permit Fee								Bond/Certificate of Insurance (TBD)
<b>Total Water Revenues</b>			<b>\$ 13,150</b>			<b>\$ 19,250</b>		
<b>Sewer</b>								
Connection Fee 6" or less		\$ 500					\$ 200	Contractor Installation
Connection Fee 8" or more		\$ 1,000					\$ 200	Contractor Installation
Inspection Fees		\$ 100					\$ 100	\$33 Per Visit up to three visits, \$33 per visit after
Inspection Fees		\$ 50					\$ 130	Any change to existing services (ave 4 visits)
Contracted Services								Actual costs plus 10%

Water												
Community	Annual Cost	Water Rate	Billing Cycle	Primary Water Source	Funding	Separate Business Rate	Seasonal Rate	Elderly Discounts	Low Income Discounts	Early Payment Discounts	Population Served	Last Rate Change
Amesbury	\$ 691	\$4.50/HCF	Biannually	GW/SW	Enterprise	No	No	No	No	No	16,450	11/1/2007
Newburyport	\$ 566	Ascending	Biannually	SW	Special Revenue	No	No	No	No	No	19,735	7/1/2007
Salisbury	\$ 284	\$3.15/1,000 G	Monthly	GW	Enterprise	No	Yes	No	No	Yes	9,000	NR
<b>Notes</b>												
Amesbury	Base charge \$143 per billing includes 1,500 CF. Connection fee: \$1,500. Inspection fees are included. Per town website.											
Newburyport	\$4.24 0 - 6,000 CF, \$4.99/HCF over 6,000 CF. Residential customer service charge for 1" or smaller = \$28.50 per billing (\$40.00 for Newbury customers).											
Salisbury	No notes											
Community	Water Bill	Minimum Bill	Rate Structure	Class Structure	Last Change	Bill Frequency	% Res w/ Meters	% C/I with Meters				
HAMPTON	\$ 534	\$ 126	Constant	No	Previous Year	Quarterly	100	100				
RYE	\$ 173	\$ 85	Inclining	Yes	Four Years Ago	Quarterly	100	100				
PORTSMOUTH	\$ 352											
SALEM	\$ 400	\$ 23	Constant	No	Previous Year	Quarterly	100	100				
EXETER	\$ 581	\$ 104	Constant	No	Previous Year	Quarterly	98	100				
SEABROOK	\$ 110	\$ 60	Constant	Yes	Two Years Ago	Annual Residential Quarterly Comm/Ind	99	99				
Only Rye funds a portion of the expense attributable to water system debt service or operating costs funded by a tax on real estate												
Only Rye funds a capital reserve account. Annual contribution is \$5,000												

Town of Seabrook  
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T11 Consumption Ranges

Range	Accounts		Consumption		Billings	
	Number	Perc	Gallons	Perc	Dollars	Perc
No flow	72	2.0%	-	0.0%	\$ 2,705	0.5%
1 - 20,000	627	17.1%	7,054,820	2.2%	\$ 35,252	5.9%
20,001 - 40,000	956	26.1%	28,548,017	8.8%	\$ 60,982	10.2%
40,001 - 60,000	779	21.3%	38,727,860	11.9%	\$ 52,184	8.8%
60,001 - 80,000	532	14.5%	36,650,006	11.2%	\$ 42,652	7.2%
80,001 - 100,000	236	6.4%	21,009,060	6.4%	\$ 24,080	4.0%
100,001 - 1 M	439	12.0%	90,145,041	27.7%	\$ 138,212	23.2%
> 1 M	22	0.6%	103,691,849	31.8%	\$ 240,066	40.3%
<b>Totals</b>	<b>3,663</b>	<b>100.0%</b>	<b>325,826,653</b>	<b>100.0%</b>	<b>\$ 596,133</b>	<b>100.0%</b>
<b>Cumulative</b>						
No flow	72	2.0%	-	0.0%	\$ 2,705	0.5%
1 - 20,000	699	19.1%	7,054,820	2.2%	\$ 37,957	6.4%
20,001 - 40,000	1,655	45.2%	35,602,837	10.9%	\$ 98,939	16.6%
40,001 - 60,000	2,434	66.4%	74,330,697	22.8%	\$ 151,123	25.4%
60,001 - 80,000	2,966	81.0%	110,980,703	34.1%	\$ 193,775	32.5%
80,001 - 100,000	3,202	87.4%	131,989,763	40.5%	\$ 217,855	36.5%
100,001 - 1 M	3,641	99.4%	222,134,804	68.2%	\$ 356,067	59.7%
> 1 M	<b>3,663</b>	<b>100.0%</b>	<b>325,826,653</b>	<b>100.0%</b>	<b>\$ 596,133</b>	<b>100.0%</b>
# of customers						
< 60,000 gallons	2,434	66%				

Flow					Dollars					
Tier 1	Tier 2	Tier 3	Tier 4		Tier 1	Tier 2	Tier 3	Tier 4	\$ 60.00	
	40,001 -	100,001 -				40,001 -	100,001 -		Service	
1 - 40,000	100,000	1,000,000	> 1 M	Total	1 - 40,000	100,000	1,000,000	> 1 M	Fee	Total
115,846,744	65,696,094	63,586,708	81,691,809	325,721,355	\$ 86,885.06	\$ 98,394.14	\$ 131,432.09	\$196,060.34	\$ 234,810.00	\$ 747,581.63
36%	20%	20%	25%	100%	12%	13%	18%	26%	31%	100%
	50,001 -	100,001 -				50,001 -	100,001 -		Service	
1 - 50,000	100,000	1,000,000	> 1 M	Total	1 - 50,000	100,000	1,000,000	> 1 M	Fee	Total
133,847,190	48,624,402	62,657,954	81,691,809	325,721,355	\$ 100,385.39	\$ 72,786.60	\$ 129,481.70	\$196,060.34	\$ 234,810.00	\$ 733,524.04
41.1%	14.9%	19.2%	25.1%	100.3%	14%	10%	18%	27%	32%	100%
		928,754								
	60,001 -	100,001 -				60,001 -	100,001 -		Service	
1 - 60,000	100,000	1,000,000	> 1 M	Total	1 - 60,000	100,000	1,000,000	> 1 M	Fee	Total
147,972,543	31,460,164	65,696,839	81,691,809	325,721,355	\$ 110,979.41	\$ 47,040.25	\$ 135,863.36	\$196,060.34	\$ 234,810.00	\$ 724,753.36
45%	10%	20%	25%	100%	15%	6%	19%	27%	32%	100%
numbers may be off due to rounding.										
The revenue numbers reflect a \$60.00 annual service fee.										
The 40,000 breakpoint better protects the smaller user and provides more flow and revenue in the second tier.										
At 40,001 - 100,000, the second tier handles the average customer.										
The revenue distribution in tiers 3 and 4 generally equal the flow distribution.										

<b>WATER</b>						<b>Budget</b>	<b>\$ 1,820,011</b>			
		<b>40,001 -</b>	<b>100,001 -</b>							
	<b>1 - 40,000</b>	<b>100,000</b>	<b>1,000,000</b>	<b>&gt; 1 M</b>	<b>Flow</b>		<b>Total</b>	<b>Current Billings</b>		
<b>Recovery</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>	<b>Charge</b>		<b>Charges</b>	<b>Amount</b>	<b>Increase</b>	<b>% Inc</b>
50%	\$ 1.50	\$ 2.50	\$ 3.50	\$ 4.50	\$ 924,427		\$ 924,427	\$ 596,012	\$ 328,415	55%
75%	\$ 2.85	\$ 3.85	\$ 4.85	\$ 5.85	\$ 1,364,151		\$ 1,364,151	\$ 596,012	\$ 768,139	129%
100%	\$ 4.25	\$ 5.25	\$ 6.25	\$ 7.25	\$ 1,820,161		\$ 1,820,161	\$ 596,012	\$ 1,224,149	205%
						\$ 60				
						<b>Serv Fee</b>				
50%	\$ 0.75	\$ 1.75	\$ 2.79	\$ 3.75	\$ 680,136	\$ 234,810	\$ 914,946	\$ 596,012	\$ 318,934	54%
75%	\$ 2.12	\$ 3.12	\$ 4.12	\$ 5.12	\$ 1,126,374	\$ 234,810	\$ 1,361,184	\$ 596,012	\$ 765,172	128%
100%	\$ 3.58	\$ 4.58	\$ 5.58	\$ 6.58	\$ 1,601,927	\$ 234,810	\$ 1,836,737	\$ 596,012	\$ 1,240,725	208%
<b>SEWER</b>						<b>Budget</b>	<b>\$ 2,065,464</b>			
		<b>40,001 -</b>	<b>100,001 -</b>							
	<b>1 - 40,000</b>	<b>100,000</b>	<b>1,000,000</b>	<b>&gt; 1 M</b>	<b>Flow</b>		<b>Total</b>	<b>Current Billings</b>		
<b>Recovery</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>	<b>Charge</b>		<b>Charges</b>	<b>Amount</b>	<b>Increase</b>	<b>% Inc</b>
50%	\$ 2.60	\$ 3.10	\$ 3.60	\$ 3.90	\$ 1,048,655		\$ 1,048,655	\$ 596,012	\$ 452,643	76%
75%	\$ 3.42	\$ 4.42	\$ 5.42	\$ 6.42	\$ 1,550,078		\$ 1,553,078	\$ 596,012	\$ 957,066	161%
100%	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 2,064,823		\$ 2,064,823	\$ 596,012	\$ 1,468,811	246%
						\$ 60				
						<b>Serv Fee</b>				
50%	\$ 1.75	\$ 2.25	\$ 2.85	\$ 3.35	\$ 802,499	\$ 235,470	\$ 1,037,969	\$ 596,012	\$ 441,957	74%
75%	\$ 2.71	\$ 3.71	\$ 4.71	\$ 5.71	\$ 1,318,767	\$ 235,470	\$ 1,554,237	\$ 596,012	\$ 958,225	161%
100%	\$ 4.30	\$ 5.30	\$ 6.30	\$ 7.30	\$ 1,836,774	\$ 235,470	\$ 2,072,244	\$ 596,012	\$ 1,476,232	248%

Town of Seabrook  
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<b>WATER</b>										
						<b>Budget</b>	<b>\$ 1,820,011</b>			
		<b>40,001 -</b>	<b>100,001 -</b>							
	<b>1 - 40,000</b>	<b>100,000</b>	<b>1,000,000</b>	<b>&gt; 1 M</b>	<b>Flow</b>	<b>Service</b>	<b>Total</b>	<b>Current Billings</b>		
<b>Recovery</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>	<b>Charge</b>	<b>Fee</b>	<b>Charges</b>	<b>Amount</b>	<b>Increase</b>	<b>% Inc</b>
100%	\$ 4.25	\$ 5.25	\$ 6.25	\$ 7.25	\$ 1,820,161		\$ 1,820,161	\$ 596,012	\$ 1,468,811	246%
100%	\$ 3.58	\$ 4.58	\$ 5.58	\$ 6.58	\$ 1,601,927	\$ 234,810	\$ 1,836,737	\$ 596,012	\$ 1,482,748	249%
75%	\$ 2.85	\$ 3.85	\$ 4.85	\$ 5.85	\$ 1,364,151		\$ 1,364,151	\$ 596,012	\$ 957,066	161%
75%	\$ 2.12	\$ 3.12	\$ 4.12	\$ 5.12	\$ 1,126,374	\$ 234,810	\$ 1,361,184	\$ 596,012	\$ 958,225	161%
50%	\$ 1.50	\$ 2.50	\$ 3.50	\$ 4.50	\$ 924,427		\$ 924,427	\$ 596,012	\$ 452,643	76%
50%	\$ 0.75	\$ 1.75	\$ 2.79	\$ 3.75	\$ 680,136	\$ 234,810	\$ 914,946	\$ 596,012	\$ 443,818	74%
<b>SEWER</b>										
						<b>Budget</b>	<b>\$ 2,065,464</b>			
		<b>40,001 -</b>	<b>100,001 -</b>							
	<b>1 - 40,000</b>	<b>100,000</b>	<b>1,000,000</b>	<b>&gt; 1 M</b>	<b>Flow</b>	<b>Service</b>	<b>Total</b>	<b>Current Billings</b>		
<b>Recovery</b>	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>	<b>Charge</b>	<b>Fee</b>	<b>Charges</b>	<b>Amount</b>	<b>Increase</b>	<b>% Inc</b>
100%	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 2,064,823		\$ 2,064,823	\$ 596,012	\$ 1,468,811	246%
100%	\$ 4.30	\$ 5.30	\$ 6.30	\$ 7.30	\$ 1,836,774	\$ 235,470	\$ 2,072,244	\$ 596,012	\$ 1,476,232	249%
75%	\$ 3.42	\$ 4.42	\$ 5.42	\$ 6.42	\$ 1,550,078		\$ 1,553,078	\$ 596,012	\$ 957,066	161%
75%	\$ 2.71	\$ 3.71	\$ 4.71	\$ 5.71	\$ 1,318,767	\$ 235,470	\$ 1,554,237	\$ 596,012	\$ 958,225	161%
50%	\$ 2.60	\$ 3.10	\$ 3.60	\$ 3.90	\$ 1,048,655		\$ 1,048,655	\$ 596,012	\$ 452,643	76%
50%	\$ 1.75	\$ 2.25	\$ 2.85	\$ 3.35	\$ 802,499	\$ 235,470	\$ 1,037,969	\$ 596,012	\$ 441,957	74%

		Flow Based Only			Flow and Service Charges		
Current Use	Current	Projected	Projected	Annual	Projected	Projected	Annual
(Gallons)	Bill	Annual Bill	Increase	Increase	Annual Bill	Increase	Increase
3,464,731	\$ 7,975	\$ 23,979	\$ 16,004	201%	\$ 23,979	\$ 16,004	201%
1,693,572	\$ 3,725	\$ 11,138	\$ 7,414	199%	\$ 11,138	\$ 7,414	199%
813,872	\$ 1,669	\$ 4,947	\$ 3,278	196%	\$ 4,947	\$ 3,278	196%
399,547	\$ 799	\$ 2,357	\$ 1,558	195%	\$ 2,357	\$ 1,558	195%
253,402	\$ 302	\$ 1,444	\$ 1,142	378%	\$ 1,444	\$ 1,142	378%
114,256	\$ 128	\$ 560	\$ 432	338%	\$ 560	\$ 432	338%
89,874	\$ 120	\$ 432	\$ 312	260%	\$ 432	\$ 312	260%
48,888	\$ 60	\$ 217	\$ 157	261%	\$ 217	\$ 157	261%
20,108	\$ 60	\$ 85	\$ 25	42%	\$ 85	\$ 25	42%
10,017	\$ 60	\$ 47	\$ (13)	-22%	\$ 43	\$ (17)	-29%
-	\$ 60	\$ -	\$ (60)	-100%	\$ 60	\$ -	0%