

May 12, 2010

Mr. Peter J. Castanino, Director
Department of Public Works
Town of Belmont
19 Moore Street
Belmont, MA 02478

Dear Mr. Castanino:

The team of Woodcock & Associates, Inc. and Raftelis Financial Consultants, Inc. (herein referred to as RFC-WA) has completed the assignment to perform a water and wastewater utility rate study (Rate Study) for the Town of Belmont (Belmont). This letter report provides a summary of the results of the study.

Overview

It is good management practice for utility managers to review their rate design and financial metrics every few years to determine whether or not their existing rate structure and financial policies are meeting the long-term needs of their utility. In this FY 2011 rate study, the Belmont Department of Public Works requested that their water and sewer rates be analyzed and, if necessary, revised to meet the challenges presented by changes in service area characteristics, regulatory requirements, and utility costs.

This project included the following components.

- A. **Rate Structure Analysis.** Identify opportunities for improving the existing rate structure.
- B. **Cost of Service Ratesetting.** Develop cost of service-based rates for water, sewer, and fire protection.
- C. **Financial Planning.** Develop a five-year financial forecast that ensures ongoing financial stability.
- D. **Rate Comparison.** Examine how Belmont's rates compare with those of peer utilities.
- E. **Billing Considerations.** Discuss the advantages and disadvantages of quarterly versus monthly billing.
- F. **Storm Water Charges.** Discuss recent stormwater cost recovery trends in the industry and possible strategies for recovering Belmont stormwater costs.

Each of these topics is discussed in detail in the subsequent sections.

A. Rate Structure Analysis

A utility rate structure must achieve a broad range of objectives, many of which are inherently in conflict. There is no such thing as an ideal "one-size-fits-all" rate structure. Instead, each rate structure alternative must be evaluated against the special needs of each utility and their customer base. Examples of important rate planning objectives are listed below.

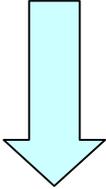
- Customer fairness and equity;
- Affordability;
- Adequate funding of system operations and maintenance;
- Adequate funding of infrastructure expansion and rehabilitation;
- Satisfaction of requirements imposed by debt issuances and contractual obligations;
- Maintenance of fund balances sufficient to ensure the long-term financial and operational stability of the system;
- Compliance with environmental regulations; and
- Compliance with other local, state, and federal laws.

Because service area characteristics and system operating profiles shift over time, it is wise to periodically review how well the rate structure is satisfying the utility's objectives. Massachusetts passed legislation requiring increasing block rate water rates for communities served by the MWRA. This type of rate structure is a departure from Belmont's existing water rate design. This change in the regulatory environment was taken into account during the analysis.

Belmont’s existing water and sewer rate structures are shown below in Exhibit 1.

Exhibit 1: Existing Water and Sewer Rates and Rate Structure

	Water	Sewer
Volume Charge per HCF	\$4.76	\$9.26

Service Charge per Quarter: Meter Size	Water	Sewer
5/8	\$ 16.44	\$ 6.45
3/4		\$ 6.79
1		\$ 7.82
1.5		\$ 9.18
2		\$ 12.96
3		\$ 40.64
4		\$ 50.90
6		\$ 78.45
8		\$ 86.14

Recommended changes to the rate structure are discussed below.

Increasing Block Rate Structure

The new rate design recommendations for Belmont include a two tier increasing block rate structure for water. The volume cutoff between the first and second block is based on a review of historical demand patterns. If demand patterns remain constant, the recommended cutoff of 30 HCF should result in approximately 50% of demand falling in the upper rate block on average. It is proposed that in FY 2011 demand over 30 HCF per quarter be billed at a rate that is 15% higher than the block one rate. After the first year, Block 1 and Block 2 rates would increase at the same pace. The proposed increasing block water rate structure complies with state law that requires an increasing rate block structure for water utilities.

There are no proposed changes to the sewer rate structure. It is worth mentioning that state law does not require an increasing block rate structure for sewer rates.

Service Charges

Historically, Service Charges for water have not been tied to meter size whereas for sewer these charges have increased with increasing connection size. A more common practice in the water industry is to tie Service Charges to water meter sizes. The rationale is that large connection sizes typically demand more resources than small connections. In order to bring the Belmont charge structure more in line with the cost of providing service, it is proposed that water Service Charges be tied to meter size. There are no proposed changes to the practice of tying sewer service charges to meter size.

Fire Protection Charges

At one time, an annual fire protection charge was imposed on Belmont fire connections in order to recover some of the costs associated with these connections. This fire protection charge was abolished several years ago for unclear reasons. The new rate structure proposes a fire protection charge that recovers approximately two thirds of fire protection costs through a sized based charge structure. Larger connections will incur a larger charge than small connections to reflect the larger demands from larger sized connections. We have not proposed recovering 100% of fire protection costs through the initially recommended charges out of concern for the potential impact on some customers. This charge can be increased in the future to recover a larger percentage of fire protection costs.

Lifeline Rates

Belmont's current rate structure includes lifeline rates for water, sewer, and irrigation customers. Water and irrigation lifeline rates are 60% lower than the regular rates, whereas sewer lifeline rates are 15% lower than the regular rates. The proposed rate structure makes the following recommended improvements.

- Abolish the irrigation lifeline rate;
- Increase the water lifeline rate to 75% of the regular water volume rate; and
- Reduce the sewer lifeline rate to 75% of the regular sewer rate.

B. Cost of Service Ratesetting

Cost of service ratesetting is recognized throughout the industry as a "best practices" process that helps utilities achieve their objectives of customer rate equity and financial stability. The goal of cost of service analysis is to implement rates that recover the actual costs of serving each customer group. In other words, no customer group is subsidized to the detriment of any other customer group. In order to set cost of service rates, however, one must first determine the total cost of providing water or sewer service to different customers. Because these costs include both direct expenditures as well as indirect and overhead costs, a fair bit of analysis must be done to determine how different costs can be most equitably divided amongst customer groups. As a result, cost of service analysis is as much an art as it is a science.

Cost of service ratesetting is an established industry standard for several reasons.

- It promotes rate equity among customer groups.
- It establishes a strong linkage between each class of rate revenue and the costs associated with generating those revenues.
- It reduces the financial instabilities that can occur when rates become significantly detached from the costs of providing each class of service.
- It provides utility management with a valuable tool for making operations and infrastructure decisions.

In accordance with cost of service ratesetting standards, the following Belmont water and sewer data were analyzed.

- Historical and budgeted operations & maintenance costs;
- Debt service obligations;
- Capital funding needs;
- Fund balance objectives;
- Historical and projected water demand patterns;
- Existing water and sewer rate structures; and
- Potential bill impacts.

A cost allocation matrix was used to segregate costs into categories associated with each rate component. Cost allocations were based on the nature of the cost, data analysis, and generally accepted industry practices. The resulting costs of providing each unit of service were used as the basis of establishing the new rates. Lifeline rates represent a special departure from the cost of service process because lifeline rates are intended to provide low income customers with a discount from regular rates.

Because system demand pattern has a significant impact on rate revenue sufficiency, six years of historical water demand patterns were reviewed. The six-year trend suggested a general decline in water usage, accompanied by annual fluctuations of up to 30%. These large annual fluctuations can in part be attributed to climatological and economic factors. In order to provide a mildly conservative estimate for future demand, the financial model assumes that

demand will remain flat for foreseeable future. A more conservative approach would be to assume an ongoing decline in system demand. However, this latter approach would require larger rate increases to offset the forecasted decline in revenues.

Cost of service calculations were developed for each individual rate component. Costs allocated to Service Charges include meter reading, billing, and service-related costs plus a percentage of administration costs. Fire protection costs were based on an analysis of the costs required to provide required fire protection capacity relative to total peak system demand. The remaining costs were assigned to Volume Charges.

The cost of service results and financial projections were examined over a five-year term. This report sets forth the rates that do the best job of satisfying the eight ratesetting objectives. Water rate recommendations are presented in Exhibit 2 through Exhibit 4. Detailed calculations of both the water and sewer rate recommendations are provided in Schedules C-3 through C-5 in the financial model.

Exhibit 2: Water Volume Charges

Charge per HCF	Current	Proposed
Block 1 <30 HCF	\$ 4.76	\$ 5.19
Block 2 >30 HCF		\$ 5.97
Irrigation	\$ 4.76	\$ 6.27
Lifeline	\$ 1.99	\$ 3.89

Because Service Charges increase with meter size, and water Volume Charges are higher above 30 HCF, large users will see the biggest percentage increase in their bills. This is consistent with the goal of implementing a conservation rate structure that assesses cost-based charges for water services. The block cut-off was set at 30 HCF because approximately 50% of customer demand takes place below this cut-off.

Exhibit 3: Water Service Charges

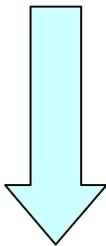
Service Charge per Quarter		
Meter Size	Current	Proposed
5/8	\$16.44	\$ 16.44
3/4		\$ 16.46
1		\$ 17.63
1.5		\$ 21.60
2		\$ 23.95
3		\$ 25.31
4		\$ 40.67
6		\$ 54.11
8		\$ 71.39

Exhibit 4: Fire Protection Charges (Annual)

Service Size	Current	Proposed
2	\$ 0	\$ 248
4		\$ 248
6		\$ 721
8		\$ 1,535
Private Hydrants		\$ 721

Although the majority of fire protection costs relate to public hydrants, no charge is assessed to these hydrants. Since the passing of Proposition 2 1/2 it has become unusual for utilities to recover public hydrants costs from municipal property tax revenues. As a result, the costs of installing, maintaining, and replacing public hydrants are recovered through Belmont's water charge.

As discussed previously, the recommended sewer rate structure does not deviate from the existing structure. However, a sewer rate increase is necessary because existing rates will not be adequate to cover forecasted costs. The sewer rate recommendations are presented below in Exhibit 5.

Exhibit 5: Sewer Charges

	Current	Proposed
Volume Charge per HCF	\$ 9.26	\$ 9.58

Service Charge per Quarter: Meter Size	Current	Proposed
5/8	\$ 6.45	\$ 13.55
3/4	\$ 6.79	\$ 14.52
1	\$ 7.82	\$ 16.01
1.5	\$ 9.18	\$ 21.08
2	\$ 12.96	\$ 24.07
3	\$ 40.64	\$ 25.81
4	\$ 50.90	\$ 45.41
6	\$ 78.45	\$ 62.56
8	\$ 86.14	\$ 84.61

A major concern in any rate study is the impact that the new rates will have on different customer groups across a range of usage levels. Addressing customer impact concerns becomes increasingly challenging as demand declines and cash reserves drop below the levels needed to provide financial stability. As part of this rate study, numerous options were examined in an effort to mitigate rate shock while preserving the long-term reliability and stability of the water and wastewater system. The final strategy includes carefully timed withdrawals from fund balance in some years while replenishing fund balances in other years. The mix of cash and debt used to fund capital projects was also examined.

The long-term objective is to keep rate increases at or below 5% per year. However, it is not always possible to meet this objective every single year. Customer rate impacts are obviously

influenced significantly by annual increases in operating and capital costs, but there are also many other factors that drive rate impacts for different customer groups.

- **Long-Range Planning Objectives.** In order to maintain financial stability, management must set rates that reflect not only immediate financial needs but also long-term system funding requirements. It can require years of advance planning to build and maintain fund balances that are adequate for covering potential revenue shortfalls, infrastructure project costs, or future rate impact mitigation costs.
- **Rate Structure Modifications.** Any time that a utility rate structure is modified, it is likely that different customer groups will incur different levels of impacts. In the case of the inclining block rate structure proposed in this report, customers with higher demand will see more of a bill impact than smaller customers.
- **Changing Demand Patterns.** If customer demand declines or grows more slowly than budgeted costs, this puts upward pressure on rates. In Belmont's case, demand has declined significantly over the past five years and is forecasted to remain flat (at best) for the foreseeable future.

Exhibit 6 demonstrates the impacts of the recommended rate structure on several sample customers.

Exhibit 6: FY 2011 Customer Impacts (quarterly)

Customer Type	Quarterly Demand	Combined Water + Sewer Bill			
		Current	Projected	\$ Change	% Change
Average Residential (no irrigation)	20 HCF	\$ 303	\$ 325	\$ 22	7%
Large Residential (with irrigation)	40 HCF	\$ 607	\$ 723	\$ 115	19%
Lifeline Customer	17 HCF	\$ 232	\$ 236	\$ 4	1.5%
Small Commercial (no irrigation)	200 HCF	\$ 2,828	\$ 3,120	\$ 292	10%
Large Commercial (no irrigation)	1000 HCF	\$ 14,077	\$ 15,578	\$ 1,501	11%

FY 2011 rate recommendations were developed as an integral part of a five-year financial forecast. The rate impacts projected by this forecast are presented in Exhibit 7.

Exhibit 7: Five-Year Impact Projections

Customer Type	Quarterly Demand	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Average Residential (no irrigation)	20 HCF	7%	5%	5%	5%	3%
Large Residential (with irrigation)	40 HCF	19%	5%	5%	5%	3%
Lifeline Customer	17 HCF	1.5%	5%	5%	5%	3%
Small Commercial (no irrigation)	200 HCF	10%	5%	5%	5%	3%
Large Commercial (no irrigation)	1000 HCF	11%	5%	5%	5%	3%

Cost and demand forecasts beyond FY 2011 should be updated each year based on actual data. As a result, future rate impacts forecasted above are provided for planning purposes only. Detailed schedules of customer bill impact calculations are provided in the rate model Schedules A-1 through A-4. Long-term rate projections are provided in rate model Schedules A-5 through A-10.

C. Financial Planning

In addition to revenue sufficiency and customer impact concerns, financial planning includes an evaluation of future fund balances and capital funding ability. In most cases, the only realistic way to achieve major financial planning objectives is to include them as part of a long-term forecast. Examining financial results on a year by year basis is rarely adequate for maintaining the long-term financial and operational health of a utility. Some of the major financial planning issues that are incorporated into this project's financial plan are as follows.

- A fund balance target equaling at least 20% of water and sewer operations and maintenance costs. This target ensures adequate funds for mitigating large rate spikes and providing liquidity in the event of unpredicted revenue declines.
- Occasional withdrawals from fund balance needed to mitigate customer rate spikes.
- An ongoing water main replacement program of \$1.2 million per year.
- A 5-year water capital program of \$7.8 million.
- A 5-year sewer capital program of \$3.1 million.

Capital Funding

Capital needs are funded through a combination of cash and debt. Over the next five years, it is projected that cash funding of water projects will decline whereas water related debt will increase. For FY 2011, 43% of sewer capital and 47% of water capital is projected to be funded through cash.

Fund Balances

Over the next five years, more than \$1 million will be withdrawn from water fund balance to mitigate adverse customer rate impacts. However, rate revenues will be sufficient for water fund balance to remain above the target ratio of 20% of O&M.

Beginning FY 2011 sewer fund balances available to cover O&M costs are projected to be 19.5% of O&M. This is just below the 20% target. However, significant withdrawals from this fund will be needed to reduce FY 2011 and FY 2012 rate impacts. These withdrawals will reduce the sewer fund balance to beneath the target level. In order to rebuild sewer fund balance to target levels or higher, deposits to sewer fund balance will be needed for at least two years after FY 2012. These deposits will enable the sewer fund to reach the 20% target by approximately FY 2014.

D. Rate Comparison

Each year, the MWRA Advisory Board releases its Annual Rate Survey. This survey includes a comparison of the average water and sewer rates for the communities that are provided partial or full water and sewer service by the MWRA. The comparison of combined water and sewer charges is based on a residential household that use 12,000 cubic feet (120 HCF) per year. The Town of Belmont is often near the top of these comparisons.

It must be understood that comparisons of rates between communities can often lead to erroneous conclusions. There are a number of different reasons and factors that go into a community's rates that are not reflected in these quick, snapshot comparisons. For example:

- The comparisons don't reflect the different makeup or mix of property types in communities. Cities and towns with larger industrial and commercial bases can often spread their costs to these non-residential customers. Towns like Belmont, Milton, Newton, Reading, Wellesley and Westwood that are more residential, cannot spread these costs to the larger, non-residential users. An examination of these towns shows they generally are on the high side of combined water and sewer rates when compared to communities with a larger non-residential mix such as Braintree, Boston, Everett, Medford, Somerville, Waltham, and Worcester.
- The structure of water and sewer rates is also not reflected in the rate comparisons. As discussed in our report, Belmont has a uniform rate for all water use; the rates do not increase with higher volumes of use. Of the 60 MWRA communities, 41 (68%) have an increasing block water rate; only 18 (30%) have a uniform rate like Belmont has, and only 8 (13%) have a uniform rate and a fixed base charge like Belmont. A fixed base charge tends to place more of the burden on small residential customers – Belmont's typical customer. The increasing block rate that most other communities have puts more of the burden on larger users, both non-residential and residential with larger irrigation demands. In summary, Belmont's current rate uniform rate structure with a fixed or base fee tends to result in more of the overall revenues derived from the typical residential customer used in the MWRA rate survey. The increasing block rates used in most other communities along with no fixed or base charge puts more of the burden on larger users that are not reflected in the survey.
- Massachusetts law allows communities to exclude the MWRA debt service from their rates (MGL Chapter 59, section 21c(n)). There are several communities (Arlington and Winchester) that have chosen this option. For these communities, part of the cost of water and sewer service is recovered through property taxes rather than through their water and sewer rates. This subsidy results in the average residential water and sewer bills in these communities to appear artificially low in comparison to communities that recover the full MWRA assessments through their water and sewer rates.
- Belmont's water and sewer enterprise fund budgets generally include the full cost of water and sewer service; this isn't true in all communities where some costs are not fully reflected and are thus recovered through taxes. This includes the amounts for employee benefit costs. While many communities attempt to reflect these in their budgets, the full cost of all benefits (including pension liabilities) are often not included. In addition, Belmont's water and sewer budgets reflect the full cost of

services from other town departments to the water and sewer departments. Again, this is not always reflected at the full and true cost in many communities. While the MWRA survey does not show this, the failure to fully reflect all direct and indirect operating costs will tend to lower the rates that are required.

Although the above factors will all contribute to the cost of water and sewer service for a typical resident to be higher in Belmont than in other communities, there is another intangible factor that also contributes to this. Based on our work for a number of communities in the Commonwealth, the Town of Belmont seems to show a strong commitment to its stewardship of the water and sewer systems. In difficult times it is easy to cut back on infrastructure repairs and improvements. In some communities there appears to be an “if the water runs when I turn it on and the toilet flushes, then don’t worry about it” attitude. For decades in the mid 1900s, the MDC water and sewer systems were neglected by Beacon Hill. The old MDC lost out on many of the federal construction grants in the 1970’s and the upgrades to Deer Island were built and funded by rate payers, not grants. Since the creation of the independent MWRA, there has been a change in the attitude and will to finance infrastructure repairs and improvements. Because of many years of neglect, this has come at a cost that MWRA communities are now paying through higher assessments.

In some communities, the commitment to maintaining their current water and sewer infrastructure is strong. Belmont had a master plan completed by its engineering consultant Weston & Sampson. The Town committed to replacing its older pipes in 30 years and has accelerated this in recent years to keep pace. There is also a commitment to reduce the infiltration/inflow (I/I) in the sewer pipes; a commitment that will help reduce future MWRA assessments. The Town’s commitment to pass on a sound water and sewer infrastructure to the next generation, rather than burdening them with neglected systems has a cost. It is reflected in the water and sewer rates that reflects the true cost of water and sewer service. Over time, this investment should yield dividends in terms of lower rates and costs as the infrastructure is maintained and does not require costly emergency repairs.

E. Billing Considerations

Belmont invoices its customers for water and sewer services four times per year. The Town has expressed interest in a possible increase in billing frequency from quarterly to monthly. Most utilities send out monthly bills to their customers. People are used to receiving a monthly bill for electricity, natural gas, telephone service, and cable television. In New England, the exception is water and sewer bills. While it is common practice in many parts of the United States to bill for water and sewer service monthly, that is not the case in this area. The MWRA Advisory Board’s 2009 Annual Water and Sewer Rate Survey presents the following information for those communities in the MWRA system:

Semi-annual (2X)	12
Tri-annual (3X)	2
Quarterly (4X)	40
Bi-Monthly (6X)	1
Monthly (12X)	5

Of the 60 communities surveyed only five send out water/sewer bills monthly whereas 2/3 of the utilities bill quarterly. The next most common billing frequency (20%) is semi-annual billing. While there are certainly added costs associated with more frequent billing, there are also benefits, many of which are difficult to quantify. As meter reading technology advances, the added cost of more frequent meter reading and billing will drop. It should be noted that billing is not always synonymous with meter reading. Quite often utilities will obtain an actual meter reading every other month and base the bill on estimates for the intervening months. In some cases this works well with no impact on customer’s bills. In cases where the rates are based on usage amounts within the billing period (block rates) or where rates may vary by season, actual meter readings each month is preferable.

The advantages and disadvantages of more frequent billing are presented below.

Advantages

- *Increased cash flow.* Moving to more frequent billing will provide a one-time increase in cash flow. The more frequent billing results in an earlier, albeit smaller, increase in billing for most customers. The magnitude of the increase in cash flow will depend on the current and new frequencies of billing. For example, if bills are issued four times a year and the change is to monthly billing, about 1/12th of the annual revenues would be billed a month sooner and another 1/12th will be billed two months sooner.
- *Smaller bills.* More frequent billing result in smaller bills to customers. Tripling the billing frequency (e.g. moving from quarterly to monthly billing) would result in customer bills that are approximately one third of what they were previously. Some customers may find payment of the smaller bills easier to pay and budget, resulting in some improvement in collections and perhaps faster payments.
- *Conservation/Price Signals.* Sending bills more frequently provides a mechanism whereby customers are notified (through their bill) of the cost of water and sewer service and can be a reminder of the cost of excessive water use. If bills are sent at

less frequent intervals, the billings are more of a penalty for past practices than a reminder to use water wisely in the future. If the Town is trying to send a price signal to use less water in the summer, a high bill in the fall can certainly penalize excess use. However, if a bill is sent in the spring and mid-summer it can serve as a reminder to the customer before the summer is over.

- *Leak detection.* Customer leaks are often discovered as the result of unusually high water and sewer bills. With infrequent billing, the leak may go unnoticed for three months or more. With more frequent billings, leaks can be discovered sooner.

Disadvantages

- *Cost.* Certainly one of the disadvantages of more frequent billing is the added cost. Tripling the frequency from quarterly to monthly will triple the Town's costs of meter reading, postage, bill forms, computer time, and handling and posting of receipts. Preliminary estimates indicate that meter services and billing costs would increase by at least 50% under a monthly billing scenario. This translates into an annual cost increase of at least \$50,000 that would need to be recovered through Belmont's rates. The cost of more frequent readings may be reduced through the use of automated meter reading technology, but implementing this technology takes both time and money. As a result, it can take years before a technology-based strategy yields billing costs savings.
- *Revenue Estimates.* Changing to more frequent billings can make estimates of revenues more difficult, particularly with a block rate system. While the usage steps or blocks would be adjusted (e.g., cut in half if moving from semi-annual to quarterly billing), the usage at the different rates can change with different billing periods. Care must be taken to try and estimate this impact and allow sufficient allowances to assure full cost recovery. Because Belmont is considering alternative rate blocks or tiers, this may be an issue in estimating use and revenues under a block rate structure.

F. Stormwater Charges

Belmont's stormwater system is an integral part of the town's utility infrastructure. As with the sewer system, Belmont incurs costs associated with operating, maintaining, repairing and replacing the system of pipes and storm drains that make up the stormwater system. As is the case with many municipalities, Belmont currently tracks these costs within the sewer system budget and recovers the costs through the sewer rates. However, this approach is not necessarily the most equitable way of recovering these costs from customers. Additionally, pending revisions to the National Pollutant Discharge Elimination System (NPDES) permit requirements are likely to increase the costs associated with the stormwater systems in many New England communities, including Belmont. As such, the use of separate user fees to recover stormwater utility costs has increased significantly over the past decade. The use of stormwater fees not only allows these costs to be recovered from customers in a more equitable manner, but also helps customers understand the importance of the stormwater system and the magnitude of the costs associated with the system.

When considering the development of stormwater charges, a municipality has two major issues to consider; determining the costs associated with the stormwater system and determining the benefits the system offers to each customer such that costs can be recovered from each customer in proportion to the benefit that each customer receives. For Belmont, determining the costs of the stormwater system is not an issue. As mentioned previously, these costs are tracked separately within the sewer budget. However, since stormwater is not able to be metered, it can be challenging to determine the benefit that each customer is receiving from the stormwater system. Municipalities wishing to assess stormwater fees have addressed this challenge in a number of ways.

Some municipalities have developed stormwater fees that are assessed based on lot size in recognition that larger lots generally generate more stormwater run-off. A smaller number of municipalities assess their stormwater fees based on impervious surface area which recognizes that impervious areas such as parking lots, driveways and the roofs of buildings generate much more run-off than do natural areas or grass lawns. Additionally, many municipalities simply assess a uniform, flat stormwater fee to each property owner within the area served by the stormwater system. While the approaches based on lot size and impervious surface area do result in a more equitable recovery of costs, the data related to lot size and impervious surface area can be very difficult and expensive to obtain and manage; therefore, many municipalities, especially those in New England opt to forego the time and expense associated with gathering such data and assess a uniform flat fee per lot.

Should Belmont decide to assess a stormwater fee, we would recommend that it should initially assess a uniform, annual flat fee to each lot. This fee would be calculated by dividing the annual costs associated with the stormwater system by the number of lots in the area served by the system.

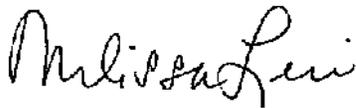
To the extent that the costs associated with the stormwater system increase significantly and Belmont is able to gather the data required by either the lot size or impervious surface area approach, we would suggest that Belmont have a stormwater cost of service study performed such that cost based rates can be calculated.

Billing Mechanism

Another important aspect of a stormwater user fee is the billing mechanism used for assessment. The most common assessment mechanisms include the use of the existing public utility bill, tax bill, or a stand-alone bill. When choosing a preferred approach, it is important to evaluate each option in relation to objectives such as cost, administration, system compatibility, account delinquency, ease of implantation, customer understanding, customer acceptance and billing system capabilities, among others. Other billing issues and policies that require an appropriate level of evaluation include the frequency of billing, the billing recipient (e.g. owner or tenant), collection enforcement options, and process for appeals. It will be important to understand and evaluate these types of issues when considering various billing database needs and long-term database management requirements.

RFC-WA appreciates the opportunity to work with the Town of Belmont on this very important study. If you have any questions about the information presented above or the attached schedules, please contact us at (704) 373-1199 (RFC) or (508) 393-3337 (WA).

Sincerely,



Melissa Levin
Raftelis Financial Consultants, Inc.



Chris Woodcock
Woodcock & Associates, Inc.

Appendix

Town of Belmont Water and Sewer Rate Study
Schedule A-1
Impact Summary - Residential

	Current	Rate Year	FY 2012	FY 2013	FY 2014	FY 2015
	FY 2010	FY 2011				
RESIDENTIAL CUSTOMER	Average User					
Water Bill	\$ 111.64	\$ 120.24	\$ 123.00	\$ 127.86	\$ 134.33	\$ 144.50
<i>% change</i>		7.7%	2.3%	3.9%	5.1%	7.6%
Sewer Bill	\$ 191.65	\$ 205.15	\$ 218.64	\$ 230.84	\$ 242.40	\$ 242.40
<i>% change</i>		7.0%	6.6%	5.6%	5.0%	0.0%
Irrigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>% change</i>		0.0%	0.0%	0.0%	0.0%	0.0%
Total Residential Bill: Average User	\$ 303.29	\$ 325.39	\$ 341.64	\$ 358.70	\$ 376.73	\$ 386.90
<i>Quarterly Dollar Increase</i>		\$ 22	\$ 16	\$ 17	\$ 18	\$ 10
<i>Percentage Impact</i>		7.3%	5.0%	5.0%	5.0%	2.7%
RESIDENTIAL CUSTOMER	Large User					
Water Bill	\$ 159.24	\$ 231.84	\$ 237.20	\$ 246.56	\$ 259.03	\$ 278.70
<i>% change</i>		45.6%	2.3%	3.9%	5.1%	7.6%
Sewer Bill	\$ 376.85	\$ 396.75	\$ 422.84	\$ 446.44	\$ 468.80	\$ 468.80
<i>% change</i>		5.3%	6.6%	5.6%	5.0%	0.0%
Irrigation	\$ 71.40	\$ 94.05	\$ 96.90	\$ 101.55	\$ 104.25	\$ 113.25
<i>% change</i>		31.7%	3.0%	4.8%	2.7%	8.6%
Total Residential Bill: Large User	\$ 607.49	\$ 722.64	\$ 756.94	\$ 794.55	\$ 832.08	\$ 860.75
<i>Quarterly Dollar Increase</i>		\$ 115.15	\$ 34	\$ 38	\$ 38	\$ 29
<i>Percentage Impact</i>		19.0%	4.7%	5.0%	4.7%	3.4%
RESIDENTIAL CUSTOMER	Lifeline User					
Water Bill	\$ 92.69	\$ 100.47	\$ 102.77	\$ 106.83	\$ 112.24	\$ 120.74
<i>% change</i>		8.4%	2.3%	3.9%	5.1%	7.6%
Sewer Bill	\$ 139.76	\$ 135.57	\$ 144.48	\$ 152.54	\$ 160.17	\$ 160.17
<i>% change</i>		-3.0%	6.6%	5.6%	5.0%	0.0%
Irrigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>% change</i>		0.0%	0.0%	0.0%	0.0%	0.0%
Total Residential Bill: Lifeline User	\$ 232.45	\$ 236.03	\$ 247.25	\$ 259.37	\$ 272.42	\$ 280.92
<i>Quarterly Dollar Increase</i>		\$ 4	\$ 11	\$ 12	\$ 13	\$ 9
<i>Percentage Impact</i>		1.5%	4.8%	4.9%	5.0%	3.1%

Town of Belmont Water and Sewer Rate Study

Schedule A-2

Impact Summary - Commercial

		Current FY 2010	Rate Year FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
COMMERCIAL CUSTOMER Small User							
Water Bill		\$ 968	\$ 1,188	\$ 1,216	\$ 1,264	\$ 1,328	\$ 1,429
% change			22.7%	2.3%	3.9%	5.0%	7.6%
Sewer Bill		\$ 1,860	\$ 1,932	\$ 2,059	\$ 2,174	\$ 2,283	\$ 2,283
% change			3.9%	6.6%	5.6%	5.0%	0.0%
Irrigation		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% change			0.0%	0.0%	0.0%	0.0%	0.0%
Total Commercial Bill: Small User		\$ 2,828	\$ 3,120	\$ 3,275	\$ 3,438	\$ 3,611	\$ 3,712
<i>Quarterly Dollar Increase</i>			\$ 292	\$ 155	\$ 163	\$ 173	\$ 101
<i>Percentage Impact</i>			10.3%	5.0%	5.0%	5.0%	2.8%
COMMERCIAL CUSTOMER Large User							
Water Bill		\$ 4,776	\$ 5,972	\$ 6,112	\$ 6,352	\$ 6,672	\$ 7,182
% change			25.0%	2.3%	3.9%	5.0%	7.6%
Sewer Bill		\$ 9,301	\$ 9,606	\$ 10,238	\$ 10,809	\$ 11,351	\$ 11,350
% change			3.3%	6.6%	5.6%	5.0%	0.0%
Irrigation		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
% change			0.0%	0.0%	0.0%	0.0%	0.0%
Total Commercial Bill: Large User		\$ 14,077	\$ 15,578	\$ 16,350	\$ 17,161	\$ 18,023	\$ 18,532
<i>Quarterly Dollar Increase</i>			\$ 1,501	\$ 772	\$ 812	\$ 861	\$ 509
<i>Percentage Impact</i>			10.7%	5.0%	5.0%	5.0%	2.8%

Town of Belmont Water and Sewer Rate Study
Schedule A-3
Rate Impact Details - Residential

Rate Options

Water Equivalent Meters Charge
Sewer Equivalent Meters Charge

		Current FY 2010	Rate Year FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
RESIDENTIAL CUSTOMER Average User							
Water							
Fixed Charges	<i>Meter: 5/8</i>	\$ 16.44	\$ 16.44	\$ 16.80	\$ 17.46	\$ 18.33	\$ 19.70
Volume Charges	<i>HCF/Quarter: 20</i>	95.20	103.80	106.20	110.40	116.00	124.80
Total Water Bill		\$ 111.64	\$ 120.24	\$ 123.00	\$ 127.86	\$ 134.33	\$ 144.50
			7.7%	2.3%	3.9%	5.1%	7.6%
Sewer							
Fixed Charges		\$ 6.45	\$ 13.55	\$ 14.44	\$ 15.24	\$ 16.00	\$ 16.00
Volume Charges		185.20	191.60	204.20	215.60	226.40	226.40
Total Sewer Bill		\$ 191.65	\$ 205.15	\$ 218.64	\$ 230.84	\$ 242.40	\$ 242.40
			7.0%	6.6%	5.6%	5.0%	0.0%
Irrigation	<i>Quarterly HCF 0.0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			0.0%	0.0%	0.0%	0.0%	0.0%
Total Residential Bill: Average User		\$ 303.29	\$ 325.39	\$ 341.64	\$ 358.70	\$ 376.73	\$ 386.90
Percentage Impact			7.3%	5.0%	5.0%	5.0%	2.7%
RESIDENTIAL CUSTOMER Large User							
Water							
Fixed Charges	<i>Meter: 5/8</i>	\$ 16.44	\$ 16.44	\$ 16.80	\$ 17.46	\$ 18.33	\$ 19.70
Volume Charges	<i>HCF/Quarter: 40</i>	142.80	215.40	220.40	229.10	240.70	259.00
Total Water Bill		\$ 159.24	\$ 231.84	\$ 237.20	\$ 246.56	\$ 259.03	\$ 278.70
			45.6%	2.3%	3.9%	5.1%	7.6%
Sewer							
Fixed Charges		\$ 6.45	\$ 13.55	\$ 14.44	\$ 15.24	\$ 16.00	\$ 16.00
Volume Charges		370.40	383.20	408.40	431.20	452.80	452.80
Total Sewer Bill		\$ 376.85	\$ 396.75	\$ 422.84	\$ 446.44	\$ 468.80	\$ 468.80
			5.3%	6.6%	5.6%	5.0%	0.0%
Irrigation	<i>Quarterly HCF 15.0</i>	\$ 71.40	\$ 94.05	\$ 96.90	\$ 101.55	\$ 104.25	\$ 113.25
			31.7%	3.0%	4.8%	2.7%	8.6%
Total Residential Bill: Large User		\$ 607.49	\$ 722.64	\$ 756.94	\$ 794.55	\$ 832.08	\$ 860.75
Percentage Impact			19.0%	4.7%	5.0%	4.7%	3.4%
RESIDENTIAL CUSTOMER Lifeline User							
Water							
Fixed Charges	<i>Meter: 5/8</i>	\$ 11.86	\$ 12.33	\$ 12.60	\$ 13.09	\$ 13.75	\$ 14.78
Volume Charges	<i>HCF/Quarter: 17.0</i>	80.83	88.14	90.17	93.74	98.49	105.97
Total Water Bill		\$ 92.69	\$ 100.47	\$ 102.77	\$ 106.83	\$ 112.24	\$ 120.74
			8.4%	2.3%	3.9%	5.1%	7.6%
Sewer							
Fixed Charges		\$ 6.45	\$ 13.55	\$ 14.44	\$ 15.24	\$ 16.00	\$ 16.00
Volume Charges		133.31	122.01	130.04	137.30	144.17	144.17
Total Sewer Bill		\$ 139.76	\$ 135.57	\$ 144.48	\$ 152.54	\$ 160.17	\$ 160.17
			-3.0%	6.6%	5.6%	5.0%	0.0%
Irrigation	<i>HCF/Quarter: 0.0</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			0.0%	0.0%	0.0%	0.0%	0.0%
Total Residential Bill: Lifeline User		\$ 232.45	\$ 236.03	\$ 247.25	\$ 259.37	\$ 272.42	\$ 280.92
Percentage Impact			1.5%	4.8%	4.9%	5.0%	3.1%

Town of Belmont Water and Sewer Rate Study
Schedule A-4
Rate Impact Details - Commercial

Rate Options

Water Equivalent Meters Charge
Sewer Equivalent Meters Charge

			Current FY 2010	Rate Year FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
COMMERCIAL CUSTOMER Small User								
Water								
Fixed Charges	<i>Meter:</i>	<i>1</i>	\$ 16	\$ 18	\$ 18	\$ 19	\$ 20	\$ 21
Volume Charges	<i>HCF/Quarter:</i>	<i>200</i>	952	1,171	1,198	1,245	1,308	1,408
Total Water Bill			\$ 968	\$ 1,188	\$ 1,216	\$ 1,264	\$ 1,328	\$ 1,429
				22.7%	2.3%	3.9%	5.0%	7.6%
Sewer								
Fixed Charges			\$ 8	\$ 16	\$ 17	\$ 18	\$ 19	\$ 19
Volume Charges			1,852	1,916	2,042	2,156	2,264	2,264
Total Sewer Bill			\$ 1,860	\$ 1,932	\$ 2,059	\$ 2,174	\$ 2,283	\$ 2,283
				3.9%	6.6%	5.6%	5.0%	0.0%
Irrigation	<i>Quarterly HCF</i>	<i>-</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
				0.0%	0.0%	0.0%	0.0%	0.0%
Total Commercial Bill: Small User			\$ 2,828	\$ 3,120	\$ 3,275	\$ 3,438	\$ 3,611	\$ 3,712
<i>Percentage Impact</i>				10.3%	5.0%	5.0%	5.0%	2.8%
COMMERCIAL CUSTOMER Large User								
Water								
Fixed Charges	<i>Meter:</i>	<i>3</i>	\$ 16	\$ 25	\$ 26	\$ 27	\$ 28	\$ 30
Volume Charges	<i>HCF/Quarter:</i>	<i>1,000</i>	4,760	5,947	6,086	6,325	6,644	7,152
Total Water Bill			4,776	5,972	6,112	6,352	6,672	7,182
				25.0%	2.3%	3.9%	5.0%	7.6%
Sewer								
Fixed Charges			41	26	28	29	31	30
Volume Charges			9,260	9,580	10,210	10,780	11,320	11,320
Total Sewer Bill			9,301	9,606	10,238	10,809	11,351	11,350
				3.3%	6.6%	5.6%	5.0%	0.0%
Irrigation	<i>Quarterly HCF</i>	<i>-</i>	-	-	-	-	-	-
				0.0%	0.0%	0.0%	0.0%	0.0%
Total Commercial Bill: Large User			\$ 14,077	\$ 15,578	\$ 16,350	\$ 17,161	\$ 18,023	\$ 18,532
<i>Percentage Impact</i>				10.7%	5.0%	5.0%	5.0%	2.8%

Town of Belmont Water and Sewer Rate Study
Schedule A-5
Rates - Water

WATER	Historical			Current	Cost of Service FY 2011	Proposed	Projected					
	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015		
Volume Rates (per HCF)												
Regular Rate	<i>Block Cutoffs</i>											
Block 1	30		\$ 4.20	\$ 4.41	\$ 4.64	\$ 4.76	\$ 4.45	\$ 5.19	\$ 5.31	\$ 5.52	\$ 5.80	\$ 6.24
Block 2	>30						\$ 4.45	\$ 5.97	\$ 6.11	\$ 6.35	\$ 6.67	\$ 7.18
LifeLine Rate	<i>Discount = 25%</i>		\$ 1.75	\$ 1.84	\$ 1.94	\$ 1.99	\$ 4.45	\$ 3.89	\$ 3.98	\$ 4.14	\$ 4.35	\$ 4.68
Customer Charges												
Equivalent Meters Charge Structure												
5/8					\$ 16.44	\$ 14.29	\$ 16.44	\$ 16.80	\$ 17.46	\$ 18.33	\$ 19.70	
3/4					\$ 16.44	\$ 14.94	\$ 16.46	\$ 16.82	\$ 17.48	\$ 18.35	\$ 19.73	
1					\$ 16.44	\$ 15.96	\$ 17.63	\$ 18.02	\$ 18.72	\$ 19.66	\$ 21.13	
1.5					\$ 16.44	\$ 19.42	\$ 21.60	\$ 22.08	\$ 22.94	\$ 24.09	\$ 25.89	
2					\$ 16.44	\$ 21.45	\$ 23.95	\$ 24.47	\$ 25.43	\$ 26.70	\$ 28.70	
3					\$ 16.44	\$ 22.64	\$ 25.31	\$ 25.87	\$ 26.88	\$ 28.22	\$ 30.34	
4					\$ 16.44	\$ 36.00	\$ 40.67	\$ 41.56	\$ 43.19	\$ 45.35	\$ 48.75	
6					\$ 16.44	\$ 47.70	\$ 54.11	\$ 55.30	\$ 57.46	\$ 60.33	\$ 64.85	
8					\$ 16.44	\$ 62.73	\$ 71.39	\$ 72.96	\$ 75.81	\$ 79.60	\$ 85.57	
IRRIGATION												
Volume Rates												
Regular Rate	<i>(per HCF)</i>				\$ 4.76	\$ 6.26	\$ 6.27	\$ 6.46	\$ 6.77	\$ 6.95	\$ 7.55	
Former LifeLine Rate	<i>(per HCF)</i>				\$ 1.99	\$ 6.26	\$ 6.27	\$ 6.46	\$ 6.77	\$ 6.95	\$ 7.55	

It is recommended that the irrigation lifeline rate be discontinued.

Town of Belmont Water and Sewer Rate Study
Schedule A-6
Rates - Sewer

SEWER	Historical			Current	Cost of Service FY 2011	Proposed	Projected			
	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Volume Rates										
Regular Rate (per HCF)	\$ 7.92	\$ 8.24	\$ 8.65	\$ 9.26	\$ 9.49	\$ 9.58	\$ 10.21	\$ 10.78	\$ 11.32	\$ 11.32
LifeLine Rate Discount = 25%	\$ 6.72	\$ 6.99	\$ 7.34	\$ 7.85	\$ 9.49	\$ 7.19	\$ 7.66	\$ 8.09	\$ 8.49	\$ 8.49
Customer Charge (per Quarter)										
Equivalent Meters Charge Option										
5/8	\$ 5.52	\$ 5.74	\$ 6.03	\$ 6.45	\$ 13.55	\$ 13.55	\$ 14.44	\$ 15.24	\$ 16.00	\$ 16.00
3/4	\$ 5.82	\$ 6.05	\$ 6.35	\$ 6.79	\$ 14.51	\$ 14.52	\$ 15.47	\$ 16.35	\$ 17.15	\$ 17.08
1	\$ 6.69	\$ 6.96	\$ 7.31	\$ 7.82	\$ 16.00	\$ 16.01	\$ 17.08	\$ 18.08	\$ 18.95	\$ 18.76
1.5	\$ 7.86	\$ 8.17	\$ 8.58	\$ 9.18	\$ 21.05	\$ 21.08	\$ 22.54	\$ 23.96	\$ 25.06	\$ 24.47
2	\$ 11.09	\$ 11.53	\$ 12.11	\$ 12.96	\$ 24.04	\$ 24.07	\$ 25.77	\$ 27.42	\$ 28.66	\$ 27.84
3	\$ 34.78	\$ 36.17	\$ 37.98	\$ 40.64	\$ 25.77	\$ 25.81	\$ 27.64	\$ 29.44	\$ 30.75	\$ 29.80
4	\$ 43.56	\$ 45.30	\$ 47.57	\$ 50.90	\$ 45.32	\$ 45.41	\$ 48.76	\$ 52.16	\$ 54.35	\$ 51.88
6	\$ 67.14	\$ 69.83	\$ 73.32	\$ 78.45	\$ 62.43	\$ 62.56	\$ 67.24	\$ 72.04	\$ 75.00	\$ 71.20
8	\$ 73.72	\$ 76.67	\$ 80.50	\$ 86.14	\$ 84.42	\$ 84.61	\$ 91.00	\$ 97.60	\$ 101.55	\$ 96.04

Town of Belmont Water and Sewer Rate Study
Schedule A-7
Rates - Firelines

FIRE	Historical			Current	Cost of Service FY 2011	Proposed	Projected			
	FY 2007	FY 2008	FY 2009	FY 2010		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Equivalent Meters Charge Structure						<i>67% of Cost of Service</i>				
2					\$ 372.07	\$ 248.05	\$ 255.49	\$ 265.71	\$ 279.00	\$ 301.32
4					\$ 372.07	\$ 248.05	\$ 255.49	\$ 265.71	\$ 279.00	\$ 301.32
6					\$ 1,080.80	\$ 720.53	\$ 742.15	\$ 771.83	\$ 810.42	\$ 875.26
8					\$ 2,303.21	\$ 1,535.47	\$ 1,581.53	\$ 1,644.80	\$ 1,727.04	\$ 1,865.20
Hydrants (Private)					\$ 1,080.80	\$ 720.53	\$ 742.15	\$ 771.83	\$ 810.42	\$ 875.26
Hydrants (Town)					\$ 1,080.80	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Town of Belmont Water and Sewer Rate Study
Schedule A-8
Rate Increase % - Water

WATER		Historical		Current	Cost of Service FY 2011	Proposed	Projected			
		FY 2008	FY 2009	FY 2010		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Volume Rates (per HCF)										
Regular Rate	<i>Block Cutoffs</i>									
Block 1	30	5.0%	5.2%	2.6%	-6.6%	8.9%	2.2%	3.9%	5.0%	7.5%
Block 2	>30					25.4%	2.2%	3.9%	5.0%	7.5%
LifeLine Rate		5.1%	5.4%	2.6%	123%	95.6%	2.3%	4.0%	5.1%	7.6%
	5/8				-13%	0.0%	2.2%	3.9%	5.0%	7.5%
	3/4				-9%	0.1%	2.2%	3.9%	5.0%	7.5%
	1				-3%	7.2%	2.2%	3.9%	5.0%	7.5%
	1.5				18%	31.4%	2.2%	3.9%	5.0%	7.5%
	2				30%	45.7%	2.2%	3.9%	5.0%	7.5%
	3				38%	54.0%	2.2%	3.9%	5.0%	7.5%
	4				119%	147.4%	2.2%	3.9%	5.0%	7.5%
	6				190%	229.1%	2.2%	3.9%	5.0%	7.5%
	8				282%	334.2%	2.2%	3.9%	5.0%	7.5%
IRRIGATION										
Volume Rates										
Regular Rate	(per HCF)				32%	31.5%	3.0%	4.7%	2.5%	8.6%
Former LifeLine Rate	(per HCF)				215%	215.1%	3.0%	4.7%	2.5%	8.6%
<i>It is recommended that the irrigation lifeline rate be discontinued.</i>										

Town of Belmont Water and Sewer Rate Study
Schedule A-9
Rate Increase % - Sewer

SEWER	Historical		Current	Cost of Service	Proposed	Projected			
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Volume Rates									
Regular Rate (per HCF)	4.0%	5.0%	7.1%	2.5%	3.4%	6.5%	5.5%	5.0%	0.0%
LifeLine Rate (per HCF)	4.0%	5.0%	6.9%	20.9%	-8.5%	6.6%	5.6%	5.0%	0.0%
Customer Charge									
Charged by Meter Size									
5/8	4.0%	5.1%	7.0%	110%	110.1%	6.5%	5.5%	5.0%	0.0%
3/4	4.0%	5.0%	6.9%	114%	113.8%	6.6%	5.7%	4.9%	-0.4%
1	4.0%	5.0%	7.0%	105%	104.7%	6.7%	5.9%	4.8%	-1.0%
1.5	3.9%	5.0%	7.0%	129%	129.6%	6.9%	6.3%	4.6%	-2.3%
2	4.0%	5.0%	7.0%	85%	85.7%	7.0%	6.4%	4.5%	-2.8%
3	4.0%	5.0%	7.0%	-37%	-36.5%	7.1%	6.5%	4.4%	-3.1%
4	4.0%	5.0%	7.0%	-11%	-10.8%	7.4%	7.0%	4.2%	-4.5%
6	4.0%	5.0%	7.0%	-20%	-20.3%	7.5%	7.1%	4.1%	-5.1%
8	4.0%	5.0%	7.0%	-2%	-1.8%	7.6%	7.3%	4.0%	-5.4%

Town of Belmont Water and Sewer Rate Study
Schedule A-10
Rate Increase % - Firelines

FIRE	Historical		Current	Cost of Service	Proposed	Projected			
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Equivalent Meters Charge Structure									
2					n/a	3.0%	4.0%	5.0%	8.0%
4					n/a	3.0%	4.0%	5.0%	8.0%
6					n/a	3.0%	4.0%	5.0%	8.0%
8					n/a	3.0%	4.0%	5.0%	8.0%
Hydrants (Private)					n/a	3.0%	4.0%	5.0%	8.0%