

Craftsbury Fire District #2
Meeting of Board, June 28, 2021.
Remote via Zoom.

Attendees:

Board members: Tim Patterson, Gina Campoli, George Hall, Ian Baldwin, Paula Davidson, Norm Hanson. Absent: Polly Allen, Steve Smith, Barb Strong
Guests: Farley Brown, John Zaber, Mark Johnson.

Meeting called to order by Chair, Tim Patterson, at 5:35 pm.

Tim presented an overview of the many tasks that the Board is currently engaged in and expressed appreciation for everyone's participation.

Special Projects:

Back up Generator

Tim reported that Sterling College has signed an easement agreement for the placement of the generator. The Simmons family is in process of doing the same. It should be signed and completed in the next several weeks.

New Source Well

The drilling site for a test well will be on Farley Brown's and John Zaber's property. The Water District's legal easement for the site was recently discovered at the town office.

Farley and John presented several conditions to be followed during the course of construction:
(a) The construction schedule be compressed as much as possible to minimize the length of time of disruption of the driveway and land. (b) The driveway and land be restored when construction is complete. (c) Consultation re. best forest management practices for the well site and perimeter occur (d) Contractors phone ahead when planning to enter the property, and keep in touch during construction about progress and any issues that may arise.

The board expressed their great appreciation to Farley and John for their willingness to assist the community and locate the test well and well on their property.

Bond Vote

Now that there is clarity on both the generator and new source easements, the Board can move forward on the bond vote.

The first step is for the Board to approve a Necessity Resolution, as required by the State Bonding Agency.

Tim summarized the Resolution's key points (the full text is attached to minutes) followed by questions and discussion by the Board.

Gina made a motion to approve the Necessity Resolution. It was seconded by Norm. The Resolution passed by unanimous vote.

Dubois and King recommended a bond issue of \$440, 200 for both projects, with expectation of the District being awarded forgivable loans from the State for 70% of the cost of the source well and 100% of the cost of the generator.

The Board discussed the procedures necessary for the vote to occur. There are numerous details to address. The vote will be conducted via the US mail, with voters given the option of dropping their ballots off at the Town Hall prior to 7:00 PM on August 31st when the ballots will be counted in the presence of JP Julian Sharp. Ballots must be mailed out to *all registered voters* within the Water District boundaries - not necessarily customers - 30 days prior and a public informational meeting will be held on August 23rd. The Board will include an information sheet with the ballot and also send information to all customers. All Board members will be needed to assist with the effort.

Financial Accounts

As reported by Paula, the conversion to the QuickBooks web-based accounting system has been completed. Invoices for customers for the 3rd quarter are being e-mailed this week. A Profit and Loss statement for Jan.1 to June 28, 2021 has been digitally generated and sent to Board Members last week. Invoices from D&K have been received. It is uncertain if payment can await establishment of the Bond Issue, or if they need to be paid now from the current CD reserve account. Tim, George or Paula will follow up with D and K.

Asset Management Workshops

The workshops are sponsored by VT DEC. Attendance by one Board member and the System Operator is mandatory in order qualify for the forgivable loans from the State. Gina, Ian, and Norm offered to attend - one for each of the 3 required sessions. Steve must go to all three. Norm will request registration information.

Rate Structure Analysis

A comprehensive rate structure study has been completed by Mark Johnson of RCAP Solutions. Mark presented a summary of his findings and recommendations. The full 14 page report has been e-mailed to all Board Members and is attached to the minutes. Two key points discussed by Mark include:

- 1) Moving away from drawing on CD reserves to pay quarterly operating expenses; and

2) The fixed base rate charged per customer should be raised to provide a higher proportion of quarterly income relative to the charges for gallons of water used.

The financial subcommittee group will meet to review the report details and report recommendations to the Board. A revised rate structure may be proposed at the Annual Meeting in Jan. 2022.

Tim expressed appreciation to the Board for navigating a busy and complex agenda, and special thanks to Farley and John, and to Mark Johnson for their invaluable support of CFD2 projects.

The meeting adjourned at 6:50 pm.

The next regular Board Meeting is scheduled for Monday July 26, and will be in-person at the library.

Recorded by Norm Hanson

RESOLUTION CERTIFICATE

I certify that I am the duly elected and qualified Clerk of Craftsbury Fire District No. 2, a municipal corporation located in the County of Orleans, State of Vermont; that I have custody of the books, records and seal of said Fire District; and that the following is a true and exact copy of a Resolution adopted at a regular meeting of the Prudential Committee of Craftsbury Fire District No. 2, duly called, noticed and held on June 28, 2021, at which a quorum of members was present and voting; and that the same remains in full force and effect, and has not been amended, rescinded, abridged, modified or contested in any way:

RESOLVED, that the public interest and necessity demand that certain public water system improvements be made, namely, construction of source, storage and treatment upgrades and replacements, at an estimated cost of Four Hundred Forty Thousand Two Hundred Dollars (\$440,200); and

BE IT FURTHER RESOLVED, that the cost of completing said public improvements after the application of available state and federal construction grants-in-aid, appropriations, reserves and other funds, will be too great to be paid out of the ordinary annual income and revenue of Craftsbury Fire District No. 2; and

BE IT FURTHER RESOLVED, that a proposal for providing public water system improvements and the issuance of general obligation bonds or notes of Craftsbury Fire District No. 2 in an amount not to exceed Four Hundred Forty Thousand Two Hundred Dollars (\$440,200), subject to reduction from available state and federal grants-in-aid and other financial assistance (estimated to be \$323,544), should be submitted to the legal voters of the Fire District at a special meeting thereof to be duly called and held for that purpose on August 31, 2021; and

BE IT FURTHER RESOLVED, that all acts relating to the proposition of incurring bonded indebtedness and the issuance of general obligation bonds of Craftsbury Fire District No. 2 for the purpose of financing such improvements, as well as the maintenance, operation and financing of such improvements within the corporate limits of the Fire District, be in accordance with the provisions of Sections 2601-2607 of Title 20 and Chapters 53, 89 and 120 of Title 24, Vermont Statutes Annotated; and

BE IT FURTHER RESOLVED, that the attached Warning and form of Ballot be adopted for use in connection with consideration of the above-stated propositions.

Dated: June 28, 2021

ATTEST:



SEAL

Fire District Clerk

Received for record and recorded this 16th day of July, 2021, in the records of the Craftsbury Fire District No. 2.

Fire District Clerk

Background

Craftsbury Fire District #2 (CFD2) enlisted RCAP Solutions to assist with a rate study to ensure the continued financial sustainability of its water operation. CFD2 is examining its water rate structure to determine if current revenues are adequate to cover the full cost of providing service to the community. CFD2's water system serves about 40 households, as well as several educational institutions and public buildings.

RCAP Solutions (RCAP) is funded by federal sources to provide technical, managerial, and financial assistance at no charge to communities like Craftsbury. RCAP will help guide CFD2 through the rate study process and will provide recommendations. While RCAP has made its best efforts to ensure the accuracy of this study, CFD2 should assume full responsibility for its actions and any outcomes resulting from the recommendations provided.

Decreasing water consumption and inadequate operating revenue make this an ideal time to examine whether it's time for a rate adjustment. CFD2's board also anticipates increasing expenses associated with upcoming infrastructure improvements. The system is looking at options for replacing its primary water supply, due to the discovery of perfluoroalkyl substances at levels just below recently adopted limits for the class of chemicals in public water supplies. At this time, it is assumed that grant funding will be available to offset some of the system improvements. Several scenarios have been developed for grant funding, including the estimates provided by CFD2's engineer indicating a local cost share for upcoming system improvements of \$117,353. Note, that even if a new well is financed *entirely* with grant funding, existing budget shortfalls and reduced consumption warrant a close examination and adjustment of the rates. CFD2's ordinance requires a reevaluation of the rates on an annual basis by the Prudential Committee. While this annual review does not need to be exhaustive, it does require that the fees provide for the "efficient operation and financial stability of the water system." In the past, CFD2 has made up revenue shortfalls by dipping into a reserve / CD account, but the system management recognizes that this practice is not sustainable. The use of the reserve account as a rate stabilization mechanism will be considered, however, to mitigate short-term rate increases.

Assumptions

This analysis is based on several assumptions, changes to which could have impacts to projections. Assumptions have been made on variables including inflation rates, the funding of cash reserves, construction schedules, and the financing for upcoming water system improvements.

- **Inflation Rates**

Based on system cost and typical budgeting practices, it is assumed that operating and maintenance (O&M) costs will increase at a 3% annual rate. Future costs are generally assumed to be the average of the previous three years' expenses.

- **Usage**

The amount of billable water consumed in the system varies based on weather, economic conditions and customer demand, the status of the pandemic, and other variables. Projections

for usage are generally based on averages over the most recent four years. For the dairy farm, projections have been estimated based on consultation with the customer.

- **Reserve Fund Contribution**

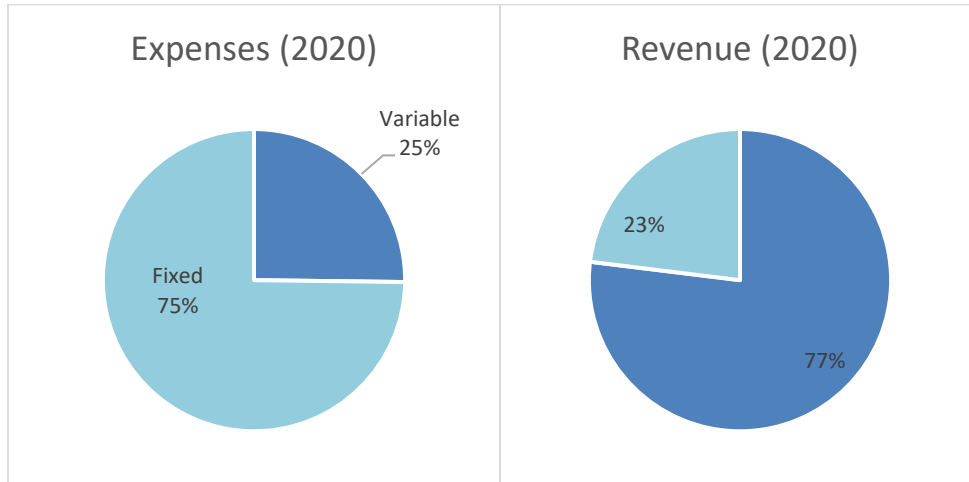
Adequate reserves can help assure financial stability and resiliency. The level of reserves considered adequate, however, varies considerably within the industry. Recommendations should be based factors specific to a system, typically in the form of an asset management or long-range capital plan. CFD2 is in the process of developing an asset management plan.

Budget and Expenses

Full cost pricing in the industry considers all expenses associated with providing water to the community. Those expenses may be divided into “fixed” and “variable” costs, although the distinction can at times be difficult to make. Emergency repairs, for example, are often thought of as variable costs. However, if it can be documented that, at a minimum, \$8,000 are spent annually on repairs, the system should assume that to be a fixed cost for these purposes. For a typical water system, most expenses are constant and should be considered fixed. In other words, known and recurring expenses far outweigh variable expenses, or those that change significantly from year to year or with the amount of water produced. Fixed expenses should be covered by the base rate, while any variable expenses would ideally be covered by a flow rate, or usage fee. The fixed portion of the water budget – which includes debt service – is likely to increase significantly with the addition of any future loan payment. A breakdown of CFD2’s budget indicates that CFD2 is typical, in the sense that most of the costs are considered fixed:

Budget Item	Actual 2020	Expense Type
Electricity	\$4,497	Variable
Labor	\$11,400	Fixed
Water Test Analysis	\$1,443	Fixed
Insurance	\$2,678	Fixed
Office Supplies (PO Box, etc.)	\$111	Fixed
State Operating Fees	\$2,773	Fixed
Repairs - Typical	\$8,000	Fixed
Extra Repairs - "bad year"	\$4,849	Variable
Training/Assoc. Membership	\$236	Fixed
Equipment	\$2,124	Fixed
Water Treatment	\$344	Variable
Sinking Fund	\$0	Fixed
Legal	\$0	Fixed
Accounting	\$0	Fixed
TOTALS	\$38,455	

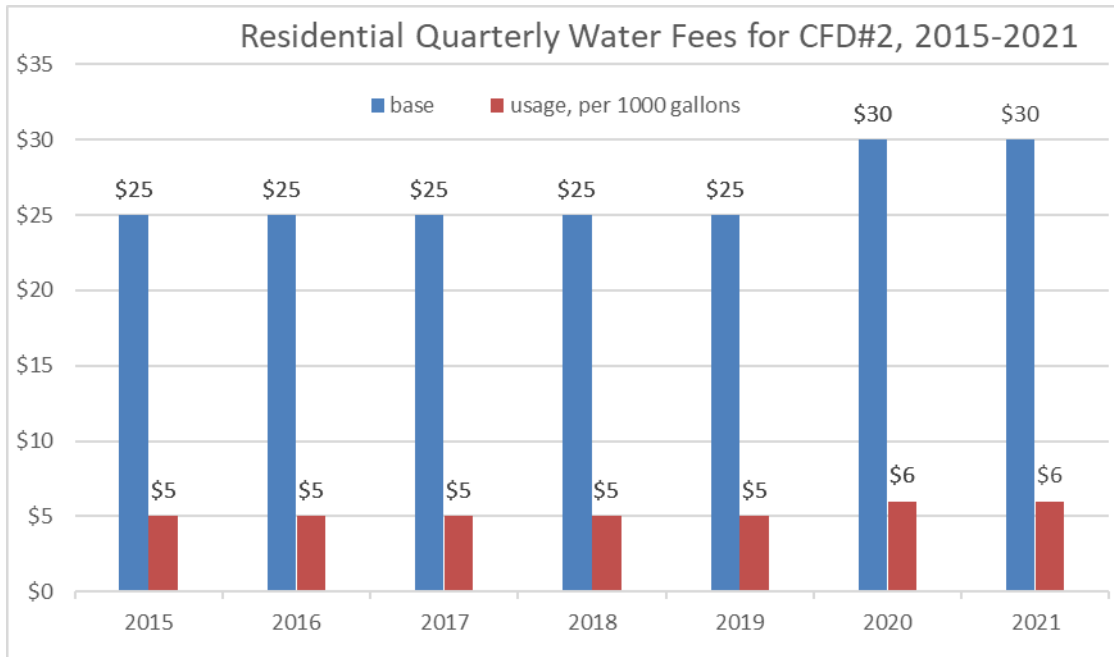
While most expenses for 2020 can be considered fixed, customer revenue was primarily made up of the volumetric portion of the bill. While this inverse relationship is common with small water systems, it creates uncertainty and the potential for shortfalls when customer usage changes. This will be discussed further in the “Revenue” section.



Budget projections have been made through 2023. These projections, estimates of the full cost of providing water service, include typical operations and maintenance expenses, anticipated debt service payments, contributions to a reserve account (minimal - placeholder until more detailed replacement costs from an Asset Management Plan are known), and 3% annual increases in operating costs for most budget line items. The most notable increase would be the addition of a debt service payment resulting from the financing of a new well and backup power. Short-term financing of engineering work and other costs associated with the projects will not be considered as part of typical operations and maintenance.

Rate Structure and Fees

CFD#2 currently charges a base fee of \$30 per quarter per assigned residential unit, plus a usage fee based on quarterly meter readings. This usage fee, also known as a volumetric or “flow-based” fee, is \$6 per 1,000 gallons of water. This equates to just over half a penny (\$0.006) per gallon of potable, pressurized, drinking water. The base fee ensures delivery and availability of the water. These fees have been in place since March 2020, before which fees had been set at \$25 per unit plus \$5 per 1,000 gallons of usage:

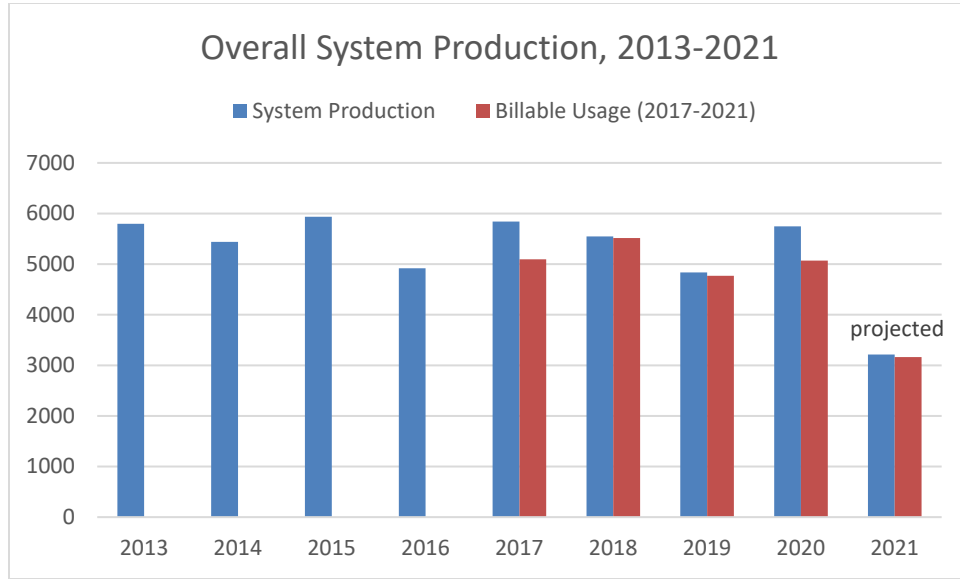


There are four main rate structures commonly used in the water industry to look at when it comes to the usage portion of the bill, and many options within those structures to support specific goals. CFD#2 uses a single block rate, in which the price of water remains constant. Coupling the single block rate with a minimum base fee, the Fire District’s current practice, is very common with small systems. This combination is relatively easy to administer and easy to understand. Tiered structures, such as a decreasing block structure (price of water decreases as usage increases; attractive to large-volume users; discourages conservation) or increasing block structure (price of water increases as usage increases; encourages conservation but may discourage commercial development) block rate, are not as common in Vermont.

In addition to the standard rates, a reduced commercial rate had been extended to the dairy farm in the past (most recently \$4 per 1,000 gallons of water) but is no longer in effect due to the cessation of operations at the property.

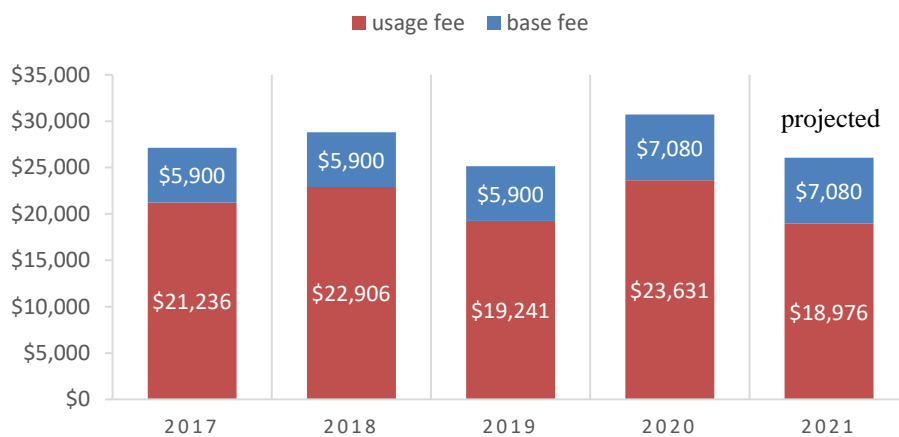
Revenue

Because usage patterns generally remained consistent for the time period 2017-2020, revenue based on customer fees was generally consistent. This is expected and typical for a system whose rate structure is heavily reliant on the usage portion of the bill, and generally fine - as long as usage doesn’t change.



An ideal revenue stream for operating a water system – a system whose costs are primarily fixed (non-variable) - should be consistent and predictable, much like the flow of water from a faucet. Between 2017 and 2020, about 81% of CFD#2 revenue was generated through the volumetric portion of customer bills. With a reduction of usage by a major customer leading into 2021, the system would be looking at a revenue reduction of just over twelve thousand dollars per year, or about 32%, resulting from the expected 40% reduction in overall system usage - had the customer been paying the full residential rate. Because of the commercial rate extended to this customer, which consisted of a reduced volumetric rate - the actual impact will be less noticeable. Rather than a 32% reduction in revenue, the reduction will likely be closer to 12%.

THEORETICAL REVENUE BREAKDOWN



Without any action in 2021 on the rates, this revenue reduction could contribute to a budget shortfall of approximately \$19,800 for the year. This does not include any upcoming bond payments, which would likely not begin until 2022 or later.

Fairness Check

Fairness within the existing rate structure was considered to help determine the need for rate structure modification. The consideration of fairness does not tell a system if they are collected too much or too little, but rather informs the system whether they are collecting fees from the correct places. Customers were categorized into four classes based on the amount of water consumed, calculated as an average. In a few cases, current and future anticipated gallons were used to come up with these classes:

- Large Users (>40,000 gallons per quarter)
- Medium Users (20k-150k per quarter)
- Small Users (4k-20k per quarter)
- Very Small Users (<4k per quarter)

Coming up with a fair rate structure considers that a small proportion of the customers use a large percentage of the water, and a large proportion of the customers use a small percentage of the water. Having said that, everyone in the system needs to have water available to them at any time - and the system needs to be prepared to deliver it. In other words, the system needs to have the capacity to serve everyone. To illustrate this concept, a target revenue has been calculated for each of the four customer classes described above. The following two questions are asked for each of these classes:

- What percentage of the customer base does this class make up? (% of Base Rate Fees)
- What percentage of system usage is the class responsible for? (% of Billable System Usage)

The target revenue is then compared to the actual revenue for each class to determine if the class is being “over-billed” (positive variance) or “under-billed” (negative variance).

Customer Size	Number of Customers	Average Quarterly Bill	% of Customer Base	% of System Usage	Target Revenue (%)	Actual Revenue (%)	Variance from Target (%)
Large	1	\$2,218	27.1	45.8	36.5	36.8	0.4
Medium	2	\$415	8.5	14.9	11.7	11.9	0.2
Small	28	\$77	47.5	37.5	42.5	43.2	0.7
Very Small	10	\$33	16.9	1.8	9.4	5.8	-3.6

Variances within a few percent of the target should be considered acceptable. In some cases, there may be a slight over-collection of a particular class (often, commercial / large users) to help subsidize another class (typically small / low-income users).

There are a few challenges with assessing the fairness of the rate structure, in the case of CFD2. Because the largest water consumer, Sterling College, receives a single bill for multiple connections, the College has been considered a single customer for the purpose of this exercise. Therefore, they have been assigned approximately 27% of the customer base and are responsible for approximately 46% of the system’s overall usage. Conversely, the Strong Farm - previously the largest consumer - would have been responsible for only a single unit of base rate because they only have one connection (although it appears that they were not charged the base rate at all, and only charged for usage at the reduced rate). Generally, a customer pays for an appropriate percentage of the overall base rate revenue. Recall that the base rate should be set to cover the fixed costs, including loan payments, and addresses the capacity to serve principle mentioned previously.

Affordability

There is no universal measure of affordability criteria for water rates. Commonly used indicators of affordability for water and wastewater rates are between 1% and 2% of Median Household Income (MHI) for a residential household. The affordability criterion of 1.5% of MHI is generally accepted as a baseline indicator. Affordability was considered for residential customers (all of whom are in the small or very small class category) and was calculated at 0.58% for an average SFR for the 3-year study period, using an average bill of \$329.12. An MHI of \$56,719 was used for this exercise, which is the most recent (2019) 5-year estimate figure provided by the American Community Survey at the time of this study. Affordability was also calculated for the separate customer classes containing residential users:

Customer Size	Average Annual Bill	Affordability (% of MHI)
All residential	\$329.12	0.58%
Small	\$383.70	0.68%
Very Small	\$159.50	0.28%

In some cases, grant opportunities are limited if a water system has not made the effort to increase rates to a reasonable affordability factor or minimum annual charge. Vermont’s Capacity Development team within the Drinking Water and Groundwater Program considers that \$1,000 per year should be considered a minimum reasonable annual charge, depending on the specifics of a system’s situation. A minimum \$1,000 / year is not necessarily the solution to CFD2’s budgetary challenges; recommended fees should be based on actual system expenses and projected costs tied to an asset management program. Rather, the number is provided to inform the system’s management team of the relatively affordable current rates.

There are likely households who currently struggle to pay their water bill, a situation that would likely be exacerbated should rates be further increased. In a small community, there is a balance to strike between shutting off a customer’s water and working with customers to avoid discontinuation of service, while being able to sustain system operations. Should delinquencies become a larger issue, CFD2 may have to revisit its policies and investigate whether state or federal programs could help any of its customers with arrearages. At the time of this report, a federal program to help low-income

households pay their water and wastewater bills is being rolled out by the Department of Health and Human Services. Also, as of June 15, 2021 the State’s shutoff moratorium related to the pandemic has been lifted. Water systems may again shut off a customer for non-payment, provided that it follows 24 V.S.A. chapter 129.

The State of Vermont is in the process of contracting with the Environmental Finance Center Network to survey water systems in the state and produce a user rate dashboard comparison tool. The tool is already available for New Hampshire, and is likely more up to date and relevant than the most current data available for Vermont. Using the tool, CFD2’s billing rates were compared to available data for 54 similarly-sized water systems (less than 500 accounts) in New Hampshire.

System	Annual Bill for 0 gallons of usage/ quarter	Annual Bill for 6,000 gallons of usage/ quarter	Annual Bill for 45,000 gallons of usage/ quarter
CFD2	\$120	\$264	\$1,200
NH Average	\$292	\$388	\$1,125

Asset Management Plan

Asset management can take many forms, but the basic steps in developing and maintaining an asset management plan include:

- Developing an inventory of assets – collect information on age, service history, and useful life
- Defining the utility’s level of service expectations
- Prioritizing assets based on useful life, importance, redundancy
- Determining costs of asset rehabilitation and replacement
- Determining funding options (reserves or alternative funding sources?)
- Reviewing and revising the plan annually during budget process

CFD2 is in the process of developing an asset management plan. RCAP encourages the continued development and maintenance of an asset management plan to better define appropriate equipment replacement funding to avoid drastic rate increases in the future.

Rate Adjustment Considerations

In looking annually at whether to adjust the rate structure, there are some basic questions that may be considered and that have been answered for the current year:

- Did revenues exceed expenses in each of the last three years? **No, operating ratio < 1**
- Has the system been able to make all scheduled payments on long-term debt? **N/A**
- Will the system be able to make upcoming payments on long-term debt? **Not with user fees alone**
- Was the system able to cover emergency and preventive maintenance as needed? **Yes (reserves)**
- Is the system in compliance with applicable standards and regulations? **Yes**
- Have you had a rate increase in the last three years? **Yes, in 2020 for first time in years**

It recommended that CFD2 review these questions annually to determine whether a rate adjustment is necessary. This review would typically occur during the budgeting process. In addition to realizing adequate revenue to operate and maintain the water system and plan for future expenses, the rate structure should:

- Ensure that customers are treated fairly and equitably (fairness check)
- Meet affordability criteria for the community
- Be easily understood by customers and be easy to administer
- Cover all of the costs to produce and distribute water
- Help to achieve community-specific goals, such as attracting development, encouraging conservation, or providing assistance to low-income customers

Summary and Recommendations

1. Overall revenue for the Fire District should increase to meet the documented needs of the Fire District. This recommended increase is necessary because of an expected 40% reduction in system usage, and existing budget shortfalls (unbudgeted expenses are paid with transfers from reserves). The amount of the increase will depend on how much the system is willing to use their reserve account to mitigate the increase. This increase is necessary to cover the full cost of providing water service to the community, regardless of the amount of grants or forgivable loans that will likely help fund upcoming infrastructure projects.
2. Raise rates more frequently, by small increments, rather than less frequent, larger increases.
3. More of the revenue should be collected through the base rate portion of the bill to ensure a more consistent revenue stream. This can be done by raising the base rate and leaving the volumetric rate at its current amount (\$6/1000 gallons).
4. Any previous “barter” arrangements should be ended for the sake of transparency and fairness. People should be paid for their services, and the Fire District should be paid for providing water. This ensures fairness to all parties involved.
5. If another large commercial customer were to connect to the system, they should be responsible for more than 1 “unit” of base rate.

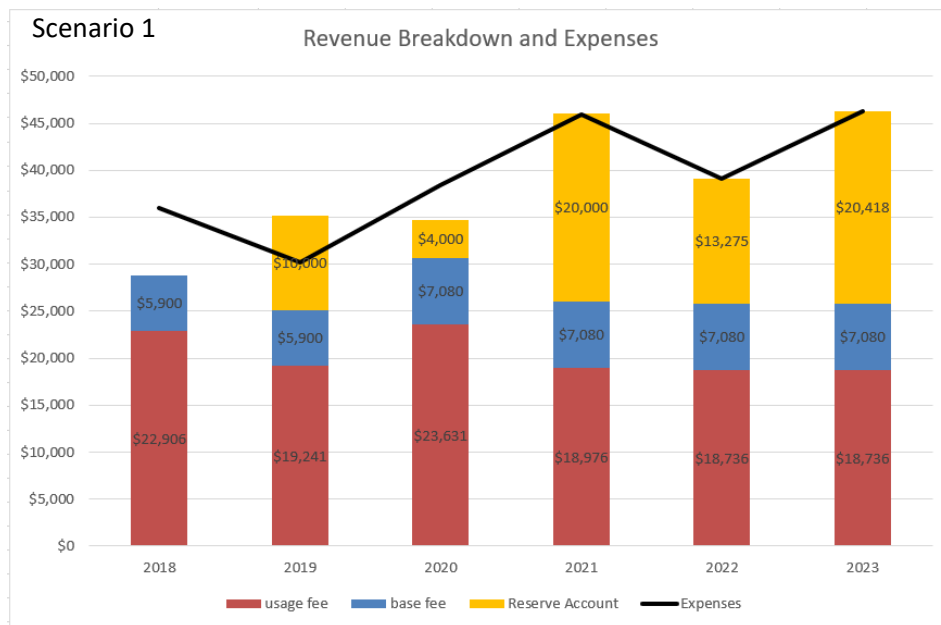
Scenarios for Rate Adjustment

As part of this project, RCAP will provide an Excel spreadsheet to encourage system management to evaluate the overall rate and revenue picture. Because of the schedule for infrastructure improvements, the Prudential Committee has indicated that the current rates will likely remain in place for the remainder of 2021. In looking to establish rates for 2022, CFD2 should be aware of the process cited in their ordinance regarding the posting of the proposed rates, a public meeting to discuss the rates, and the consideration of public comment.

It is unlikely that the system will be able to increase rates enough in one year to cover the full cost of system operation. Rather, RCAP would recommend a phased approach in which funds from the cash deposit account (CD) keep rates from increasing too rapidly (Scenario 2). The use of the CD as a rate stabilization fund should be phased out over time, however. Three scenarios have been developed for the system to consider as CFD2 moves ahead with a review of rates and finances in the coming months.

Scenario 1:

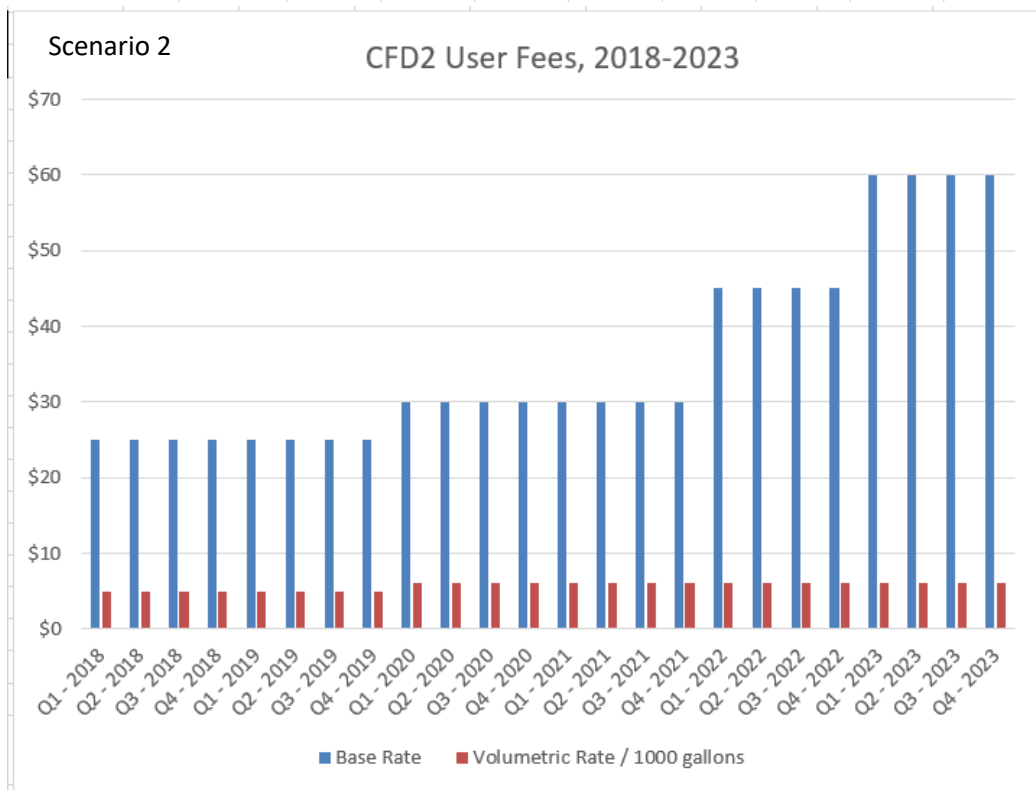
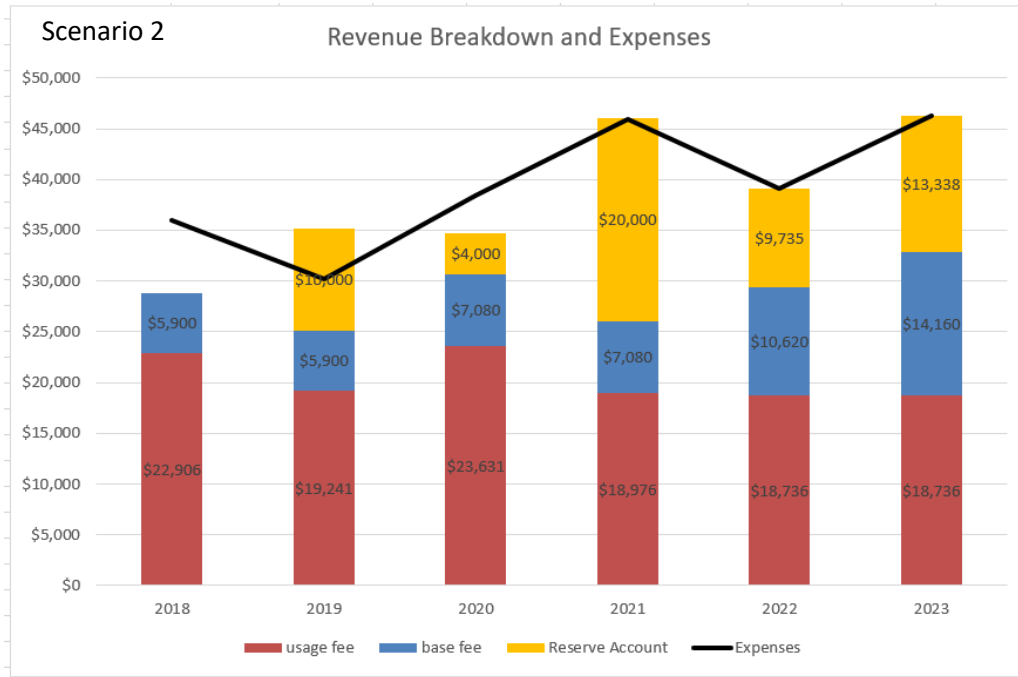
Do nothing. Keep rates at \$30 per quarter per household, and \$6 per 1000 gallons of water consumed. Based on current budget projections, the shortfall for 2022 would likely be over \$13k. Assuming that a loan payment in the amount of \$6k / year hits the books in 2023, the expected deficit for 2023 would likely be over \$20k. Customers are happy that bills are staying the same (for now), although they may be surprised in a few years and wonder why action was not taken sooner. Average residential bills remain at an Affordability (% of MHI going toward water bill) of 0.6%, and the CD continues to dwindle.



Scenario 2:

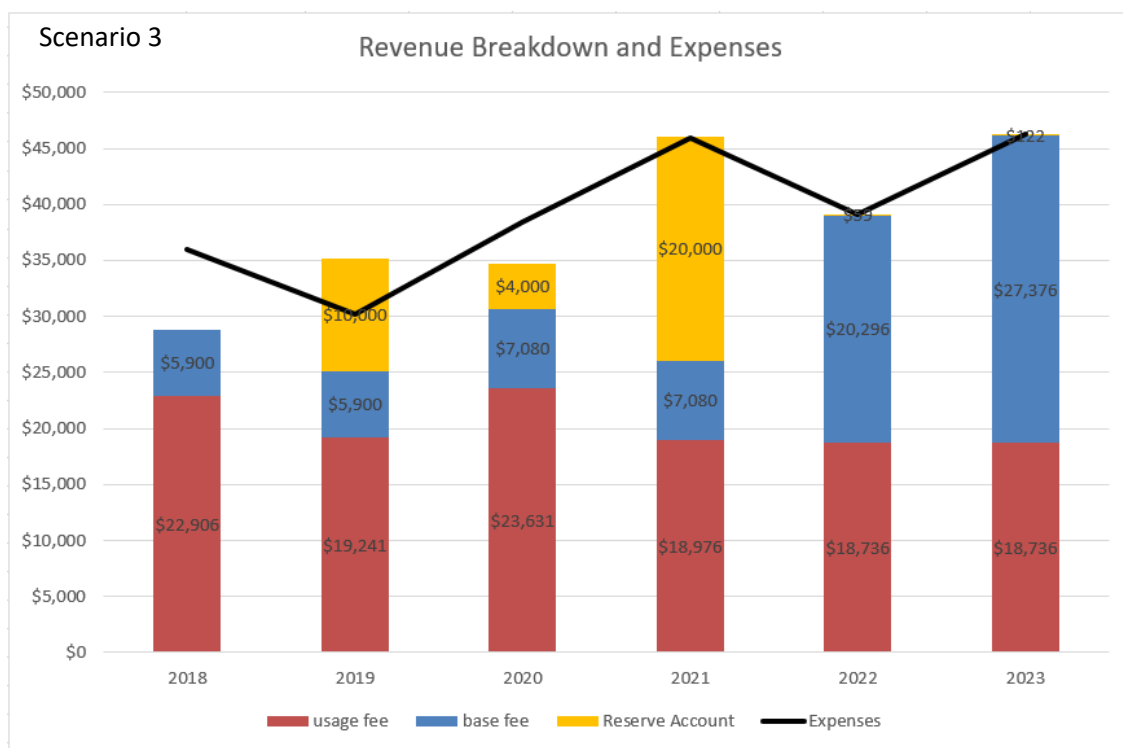
Phase in rate increases to the point that the system can eventually avoid CD withdrawals for typical operating expenses. For 2022, increase the base rate to \$45 per quarter per household and keep the volumetric rates (\$6/1000 gallons) in place. Increase the base rate to \$60 per quarter for 2023. Affordability (based on current MHI) has risen from about 0.6% in 2020 to 0.8% in 2023. More evaluation would need to be done once the dust settles on the upcoming bond payment and the details of the Asset Management Plan replacement schedule are known. Despite concerns of affordability for residents, the system’s rates edge closer to an average of comparable systems in the NH/VT region. In this scenario, the base rate makes up 43% of the overall revenue picture by 2023, up from 27% in 2021. An operating deficit of over \$13k remains for 2023, despite the increase to \$60 per quarter, if an annual bond payment of \$6k comes due. This approach gets the system moving in the right direction and

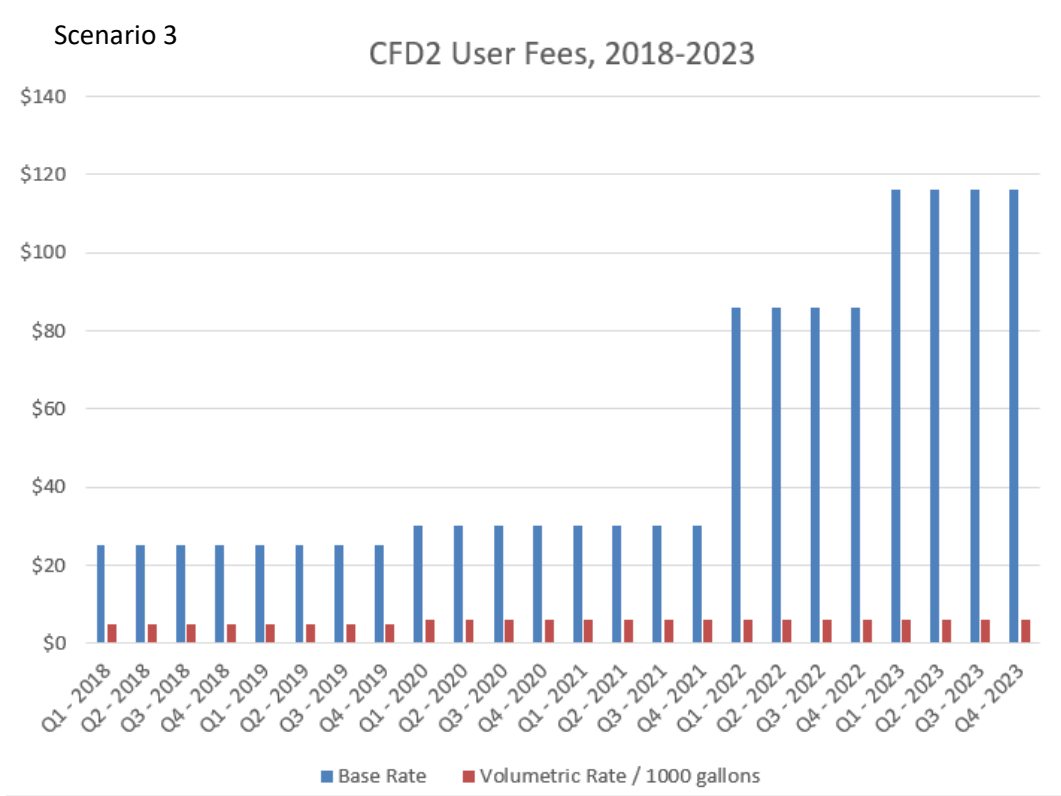
remains affordable for most customers (by industry standards) but may have to be followed by additional increases depending on how the financing for upcoming projects works out. Should it look likely that the first bond payment would be due in 2022, the system may consider going immediately to the \$60 per quarter in 2022 - rather than waiting until 2023.



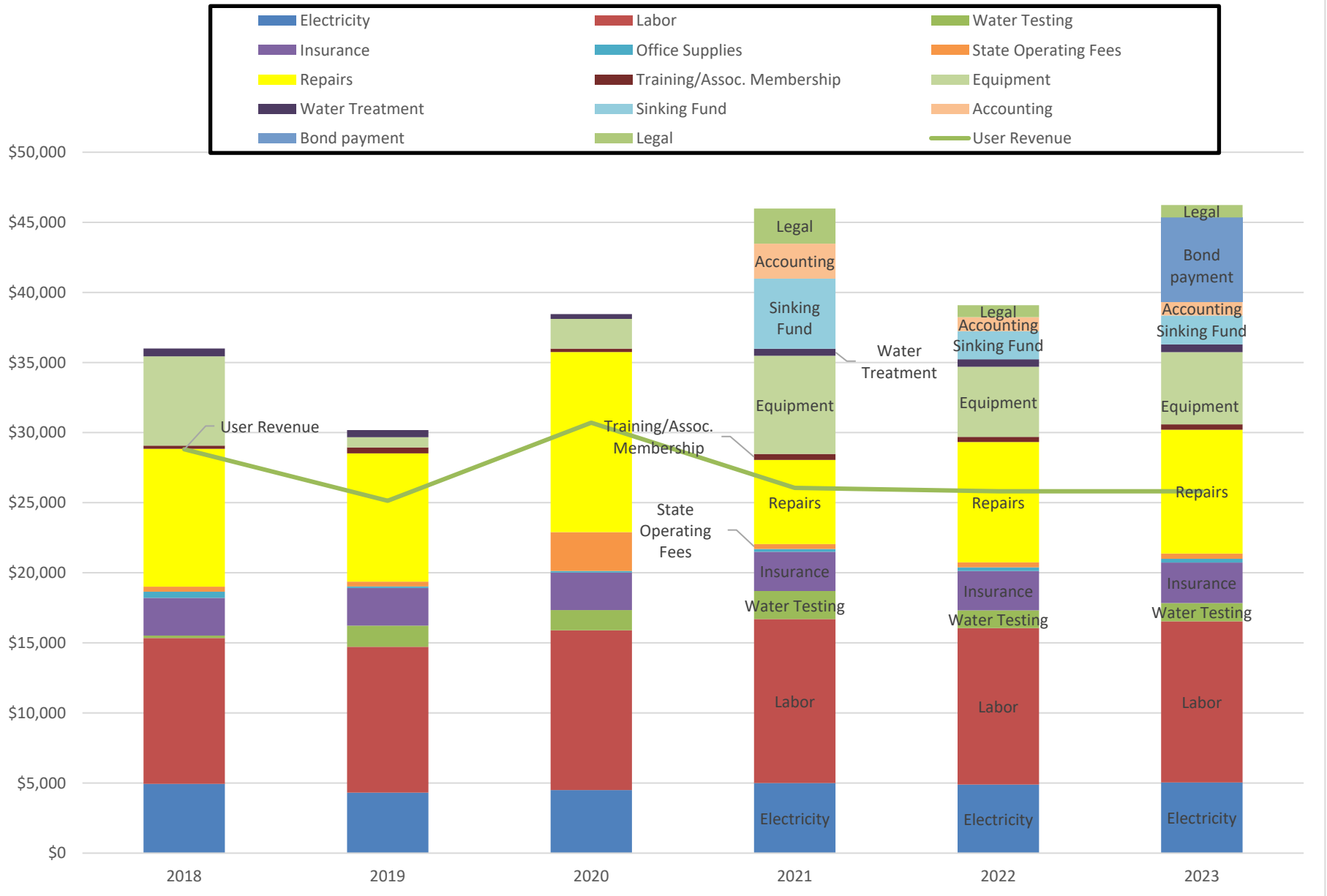
Scenario 3:

Raise rates, beginning in 2022, to the full cost of operating the system. Avoid any more withdrawals from the CD for identified budget items. For 2022, quarterly rates per household would be set at \$86 and volumetric rates would remain the same at \$6 per 1000 gallons of water consumed. Affordability becomes a concern, increasing to almost 1% of MHI for 2022. Assuming a bond payment of \$6k per year for infrastructure improvements beginning in 2023, customers would be asked to pay \$116 per quarter plus the volumetric fee, resulting in a jump in Affordability to 1.2% of MHI. An average annual cost for a customer using 8700 gallons of water per quarter (average of residential customers) goes from \$329 in 2021 to \$673 in 2023. While this seems drastic, many systems in Vermont are moving closer to the \$1000 per year for water service, if they are not already there. The availability of comparison tools through the State and documentation of need (Asset Management, etc.) would help the system justify rate increases. However, customers would not appreciate the rapid way these increases are rolled out and a significant community education campaign would be recommended.





CFD #2 Budget, 2018-2023



Note: This graph assumes that rates are unchanged through 2023, and that a bond payment of \$6k per year begins in 2023.