

Representative Policy Board of the South Central Connecticut Regional Water District

Notice of Public Hearing and Filing of Rates and Other Charges for Water and Related Services

The Representative Policy Board ("RPB") of the South Central Connecticut Regional Water District ("the District") will hold a public hearing at 7:00 p.m. on Thursday, March 17, 2016, at the offices of the South Central Connecticut Regional Water Authority ("the Authority"), 90 Sargent Drive, New Haven, Connecticut, to consider the application of the Authority to establish rates, other charges, and rate schedules for water and related services ("the 2016 Rate Application").

The public hearing is to be held pursuant to provisions of Sections 10 and 14 of the District's enabling legislation, which is Connecticut Special Act 77-98, as amended.

The Authority's proposed rates are to be effective as of the delivery of all or a portion of the Authority's Water System Revenue Bonds, proposed to be issued on or about July 2016 (the "proposed bonds"). The Authority anticipates that total revenues to be raised by the proposed increase in rates will be approximately \$7.470 million, or 6.9% (4.6% annualized), more than revenue from existing rates and charges during the historical period of twelve months referenced in Section 619A(1) of the South Central Connecticut Regional Water Authority's Water System Revenue Bond Resolution General Bond Resolution. The proposed 4.55% is based on an assumed interest rate on the Authority's proposed bonds. The Authority's proposal contemplates that the actual rate increase will be adjusted, depending on the effective interest rate paid by the Authority on the proposed bonds as follows:

| Interest Rate | Revenue Increase |
|-----------------------------|------------------|
| 3.05% and lower | 6.60% |
| above 3.05% and up to 3.55% | 6.72% |
| above 3.55% and up to 4.05% | 6.79% |
| above 4.05% and up to 4.55% | 6.87% |
| above 4.55% and up to 5.05% | 6.95% |
| above 5.05% and up to 5.55% | 7.03% |
| above 5.55% and up to 6.05% | 7.11% |
| above 6.05% and up to 6.55% | 7.20% |

A typical example of quarterly bills at existing rates and proposed rates is provided by the following table. The average residential customer of the Authority's district will experience an increase of approximately \$10.52 per quarter, or 7.2%.

TYPICAL QUARTERLY BILLS AT EXISTING AND PROPOSED RATES

| Meter Size | Quarterly Consumption in cubic feet | | Existing Rates | Proposed Rates |
|------------|-------------------------------------|-----------|----------------|----------------|
| | (1) | (2) | | |
| 5/8" | 500 | 500 | \$ 72.10 | \$ 77.30 |
| 5/8" | 2,500 * | 2,500 | 145.78 | 156.30 |
| 5/8" | 8,000 | 8,000 | 348.40 | 373.55 |
| 1" | 30,000 | 30,000 | 1,102.17 | 1,181.66 |
| 2" | 54,000 | 54,000 | 2,025.14 | 2,171.19 |
| 2" | 100,000 | 100,000 | 3,588.22 | 3,846.97 |
| 6" | 100,000 | 100,000 | 33,062.51 | 35,445.32 |
| 8" | 1,500,000 | 1,500,000 | 46,062.37 | 49,381.29 |

*Average residential customers
(1) One cubic foot equals 7.805 gallons.

All of the users of the water supply system of the Authority, as well as owners of the property served or to be served, residents and taxpayers in the member towns of the District, and other interested persons shall have an opportunity to be heard concerning the matters under consideration.

Members of the Authority and its consultants and a representative of the Office of Consumer Affairs of the RPB will be available at the public hearing to discuss details of the proposed rates, other charges, and rate schedules for water and related services. Copies of the 2016 rate application are available for public inspection at the District's offices, 90 Sargent Drive, New Haven, Connecticut 06511.

NOTICE POSTED BY:

Thomas P. Clifford III, Chairperson
Representative Policy Board of the
South Central Connecticut
Regional Water District

Notice is hereby given that the Authority has filed with the Representative Policy Board for its approval, the following rates and other charges for water and related services within the District to become effective on the delivery date of all or a portion of the proposed bonds, based on a revenue increase of 6.9%.

QUARTERLY WATER RATES

| Service Charges | Existing Service Charges | Proposed Service Charges |
|-------------------|--------------------------|--------------------------|
| Meter Size | | |
| 5/8" | \$ 53.68 | \$ 57.55 |
| 3/4" | 62.63 | 67.15 |
| 1" | 82.77 | 88.76 |
| 1-1/2" | 125.30 | 134.35 |
| 2" | 190.22 | 203.97 |
| 3" | 556.35 | 596.52 |
| 4" | 835.03 | 895.32 |
| 6" | 1,562.51 | 1,675.32 |
| 8" | 2,547.37 | 2,731.29 |
| 10" | 3,621.80 | 3,883.29 |
| 12" | 4,696.62 | 5,035.72 |
| Privately Owned | 17.85 | 19.14 |

Consumption Charges

| Cubic Feet | Existing Rates / per hundred cubic feet | Proposed Rates / per hundred cubic feet |
|---------------------------|---|---|
| Small (5/8 - 3/4" meters) | \$ 3.684 | \$ 3.950 |
| Medium (1 - 2" meters) | 3.398 | 3.643 |
| Large (3 - 6" meters) | 3.150 | 3.377 |
| Very Large (8" and up) | 2.901 | 3.110 |

MONTHLY WATER RATES

| Service Charges | Existing Service Charges | Proposed Service Charges |
|-------------------|--------------------------|--------------------------|
| Meter Size | | |
| 5/8" | \$ 29.79 | \$ 31.94 |
| 3/4" | 32.78 | 35.15 |
| 1" | 39.48 | 42.33 |
| 1-1/2" | 53.66 | 57.53 |
| 2" | 75.30 | 80.74 |
| 3" | 197.34 | 211.59 |
| 4" | 290.23 | 311.18 |
| 6" | 532.73 | 571.19 |
| 8" | 861.00 | 923.16 |
| 10" | 1,219.09 | 1,307.01 |
| 12" | 1,577.42 | 1,691.31 |
| Privately Owned | 17.85 | 19.14 |

Consumption Charges

| Cubic Feet | Existing Rates / per hundred cubic feet | Proposed Rates / per hundred cubic feet |
|---------------------------|---|---|
| Small (5/8 - 3/4" meters) | \$ 3.684 | \$ 3.950 |
| Medium (1 - 2" meters) | 3.398 | 3.643 |
| Large (3 - 6" meters) | 3.150 | 3.377 |
| Very Large (8" and up) | 2.901 | 3.110 |

SEASONAL WATER RATES

| Service Charges | Existing Service Charges | Proposed Service Charges |
|-------------------|--------------------------|--------------------------|
| Meter Size | | |
| 5/8" | \$ 268.39 | \$ 287.77 |
| 3/4" | 313.18 | 335.79 |
| 1" | 413.92 | 443.81 |
| 1-1/2" | 626.56 | 671.80 |
| 2" | 951.20 | 1,019.88 |
| 3" | 2,782.10 | 2,982.97 |
| 4" | 4,175.74 | 4,477.23 |

| Consumption Charges | Existing Rates / per hundred cubic feet | Proposed Rates / per hundred cubic feet |
|---------------------|---|---|
| Cubic Feet | | |
| All Consumption | \$ 6.027 | \$ 6.462 |

* "Per ccf" means "per one hundred cubic feet."

PUBLIC AND PRIVATE FIRE SERVICE RATES

| Service Charges | Existing Rates | Proposed Rates |
|-----------------|----------------|----------------|
| Public | | |
| Inch - feet | \$ 0.07065 | \$ 0.07575 |
| Hydrants | 145.46 | 155.96 |
| Private | | |
| 1" connection | \$ 166.97 | \$ 179.00 |
| 2" connection | 166.97 | 179.00 |
| 3" connection | 166.97 | 179.00 |
| 4" connection | 269.72 | 289.16 |
| 6" connection | 574.78 | 616.28 |
| 8" connection | 1,669.60 | 1,790.16 |
| 10" connection | 3,557.88 | 3,814.76 |
| 12" connection | 6,398.24 | 6,860.20 |
| 14" connection | 15,501.56 | 16,620.76 |
| 16" connection | 22,023.88 | 23,614.00 |

MISCELLANEOUS WATER AND NON-WATER RATES

| Miscellaneous Water Rates | Existing Rates | Proposed Rates* |
|---|---------------------------|---------------------------|
| Hydrant permits | | |
| Meter service charge | \$ 276 | \$ 276 |
| Minimum service charge | 132 | 142 |
| Seasonal minimum charge | 520 | 557 |
| Tank truck water annual charge (plus: water rate at 3.950 per ccf applicable) | 50 | 52 |
| | 2,475 per million gallons | 2,464 per million gallons |
| Wholesale | 0.5376 per ccf. | 0.5764 per ccf. |
| Raw Water | | |

| Miscellaneous Non-Water Rates | Existing Rates | Proposed Rates* |
|--|----------------|-----------------|
| Termination & Reconnection Charge (turn-off and turn-on) | 136 | 136 |
| Termination & Reconnection Charge (after hours call-in) | 210 | 210 |
| Collection Visit Fee (non-shut) | 37 | 37 |
| Other Collection Activity | (A) | (A) |
| Tampering of Hydrant | | |
| First Offense | 500 | 500 |
| Subsequent Offense | 1,000 | 1,000 |
| Unmetered active service fee | 500 | 500 |
| Obstructed Curb Valve | | |
| First Offense | 37 | 58 |
| Subsequent Offense | (A) | (A) |
| Repair/Cleaning Curb Box (due to customer negligence) | 74 | 74 |
| Deficient Check Charge | 27 | 27 |
| Lien Processing Charge | 19 | 27 |
| Special Customer Request Charge | N/A | (A) |
| Waste Inspection Charge | 80 | 87 |
| Meter Resetting Charge | 153 | 153 |
| Service Call | | |
| During Working Hours | 102 | 102 |
| After Hours Call-In | 281 | 289 |
| Manual Meter Reading Fee | 37 | 37 |

| Miscellaneous Non-Water Rates | Existing Rates | Proposed Rates* |
|---|----------------|-----------------|
| Missed Appointment Charge | 54 | 55 |
| Operate Curb Valve Charge | 200 | 200 |
| Repair or replacement of company meter reading device | N/A | 205 |
| Mandatory water restriction violation fee per occurrence, up to one per day | N/A | 25 |
| Excavation for Termination of Service | | |
| (1) At Curb Valve | 450 | 450 |
| (2) In Street at Tap Valve | (A) | (A) |
| Backflow device testing charges | | |
| 1 to 5 devices | 55 | 55 |
| 6 to 9 devices | 50 | 50 |
| 10 to 50 devices | 45 | 45 |
| 50+ devices | 40 | 40 |
| Unscheduled Test | 110 | 110 |
| Confined Space, Pit/Vault | 110 | 110 |
| Pit/Vault Requiring Pumping | (A) | (A) |
| Repair or Replacement of Company Meters (due to customer negligence) | | |
| 5/8" & 3/4" | 220 | 220 |
| 1" | 275 | 275 |
| 1-1/2" | 403 | 403 |
| 2" | 485 | 485 |
| Over 2" | (A) | (A) |

(A) The charge will be the Authority's cost of material, labor and/or equipment used, plus its cost of overhead at prevailing rates. In circumstances where this procedure for charging a customer would significantly delay the final billing, the Authority will use an appropriate substitute for its cost.

* Proposed rates are rounded to the nearest dollar.

OTHER MISCELLANEOUS CHARGES AND CHARGES FOR PIPE INSTALLATION

MISCELLANEOUS CHARGES

Charges for all services or materials are based on the actual, direct cost of the material, labor and equipment used, plus the cost of overhead at prevailing rates. In those circumstances where the procedure will cause a significant delay in the final billing, the Authority will use an appropriate substitute for actual cost. These charges are assessed on the water bill account whenever possible otherwise a separate invoice is rendered.

CHARGES FOR PIPE INSTALLATION (SUBJECT TO PROPORTIONATE SHARING)

Charges for pipe installation under Extension of Main Rules and Regulations will be the actual cost of the pipe, labor and equipment used, plus overheads at prevailing rates. In those circumstances where this procedure will cause a significant delay in the final billing, the Authority will use an appropriate substitute for actual cost. If pavement excavation and replacement or repairs are required for the extension, these additional charges will be added to the final invoice. The cost of pipe will normally be based on 8-inch main but, if for any reason it is necessary to install pipe larger or smaller than 8-inch to satisfy the requirements of the applicant, cost shall be based on the pipe size actually required.

SERVICE CONNECTION CHARGES

Prior to the approval of an application, a service connection charge shall be paid by each applicant for each new service connection and meter installation as follows:

| Corporation Stop or Branch Connection | Existing Service Charges | Proposed Service Charges* |
|---------------------------------------|--------------------------|---------------------------|
| Size | | |
| 1" | \$ 315 (1) | \$ 315 (1) |
| 1-1/2" | 320 (1) | 320 (1) |
| 2" | 540 (1) | 540 (1) |
| Over 2" | (A) | (A) |

(1) Plus cost of saddle

(A) The charge will be the Authority's cost of material, labor and/or equipment used, plus its cost of overhead at prevailing rates. In circumstances where this procedure for charging a customer would significantly delay the final billing, the Authority will use an appropriate substitute for its cost.

* Proposed rates are rounded to the nearest five dollars.

METER INSTALLATION

The purpose of these charges is to defray the cost of installing the corporation stop or branch connection for a service connection, installing the meter and inspecting the installation of the service connection.

| Meter Size | Existing Service Charges | Proposed Service Charges* |
|-------------|--------------------------|---------------------------|
| 5/8" & 3/4" | \$ 155 | \$ 155 |
| 1" | 155 | 155 |
| 1-1/2" | 415 | 415 |
| 2" | 415 | 415 |
| Over 2" | (A) | (A) |

LOCAL FACILITIES CHARGES

The purpose of the local facilities charges is to collect a fair contribution from the applicant toward the cost of the utility system, heretofore paid by existing customers.

A local facilities charge for each separate connection to a water main shall be paid by each applicant who desires to secure water service from the main. The applicant will pay the charge prior to the Authority's granting approval for a service connection.

| Meter Size | Existing Service Charges | Proposed Service Charges* |
|-------------|--------------------------|---------------------------|
| 5/8" & 3/4" | \$ 550 | \$ 550 |
| 1" | 830 | 830 |
| 1-1/2" | 970 | 970 |
| 2" | 1,525 | 1,525 |
| 3" | 6,105 | 6,105 |
| 4" | 7,625 | 7,625 |
| 6" | 11,510 | 11,510 |
| 8" | 15,935 | 15,935 |

(A) The charge will be the Authority's cost of material, labor and/or equipment used, plus its cost of overhead at prevailing rates. In circumstances where this procedure for charging a customer would significantly delay the final billing, the Authority will use an appropriate substitute for its cost.

* Proposed rates are rounded to the nearest five dollars.

ECONOMIC DEVELOPMENT RATE**

The Authority offers an "economic development rate" as an incentive to encourage new* commercial or industrial customers in its service area, for significantly expanding operations, or distressed businesses contemplating closing by assessing the customer at 80 percent of applicable water rates for the first five (5) years of occupancy. Rates will be subject to periodic effects of a general rate increase and/or surcharges. If the customer's period of occupancy is less than five (5) years, the Authority will pro-rate the full rate back to the first date of occupancy. After the initial five (5) year period, the Authority will assess the customer its full applicable water rates. To qualify for this economic development rate they must consume at least 500,000 gallons of water per year.

* A new customer is defined as relocating to the Authority's service area from out-of-state or from another service area within Connecticut *

** With exceptions reviewed on a case by case basis.