

# Alfred Water District Rate Analysis Case Study

Infrastructure Type: Drinking Water  
Project Type: Other  
TAP: Art Astarita

Population Served: 644  
Low Income Population: 133  
Connections/Households: 280  
Median Household Income: \$40,583



## Project Details

RCAP Solutions assisted the Alfred Water District by conducting a water rate analysis, proposed rate structures, and assisted with requirements for Maine Public Utilities Commission (PUC) submittal. Assistance directed at system managers and directors helped meet managerial and financial capacity guidelines, as well as establishing a sustainable rate setting policy.

RCAP Solutions worked with the treasurer and trustee chairman to scope the needs requirements for the upcoming years. A capital improvement plan with estimated costs was outlined, along with operation and maintenance budgets. Capital projects undertaken in 2009 were financed with a \$500,000 USDA grant/loan package, including a \$250,000 40-year loan at 2.75% interest. The debt service payment was incorporated into the budget calculations.

## Solution/Resolution

RCAP Solutions was instrumental in assisting the Alfred Water District with their rate increase. RCAP Solutions worked with the treasurer and trustee chairman to scope the needs requirements for a capital improvement plan with estimated costs along with operation and maintenance budgets. The debt service plans were obtained from Rural Development to incorporate the principal and interest payments. An analysis of water consumption over the past few years showed that conservation reduced residential use by 6.6%. The current economic downturn also caused reductions in commercial, industrial and governmental water use. RCAP Solutions and the District worked together to create a 13% rate increase. Since the District had not raised user fees since 2007, this current rate reflects a 4.3% yearly increase.

Glenn Charette, Trustee/Chairman wrote:

“A successful rate increase, approved by the PUC for January 1, 2010! Thanks to Art and RCAP Solutions, this is a true statement today! Art Astarita’s assistance was easy to follow and greatly appreciated. Art’s response to our questions was always clear, precise and quick. RCAP Solutions supplied the technical and financial assistance which the Alfred Water District is short on!

“...Utility system support for continued funding of RCAP Solutions by federal funding through EPA, USDA or Health and Human Services should continue to provide assistance to small and rural water systems such as the Alfred Water District!”