

**LINCOLN BOARD OF SELECTMEN'S  
MEETING MINUTES  
AUGUST 10, 2020 – 5:00PM  
LINCOLN TOWN HALL - 148 MAIN STREET, LINCOLN, NH**

**APPROVED**

**Board of Selectmen Present:** Chairman OJ Robinson, Vice Chair, Tamra Ham, and Selectman Jayne Ludwig

**Staff Present:** Town Manager, Butch Burbank, DPW Director, Nate Hadaway, Sergeant Mike Stevens, and Administrative Assistant Jane Leslie

**Public Present:** Karen Gallagher, Brian Gallagher, Roger Harrington, Paul Beaudin, and Dave Beaudin

**Public Present via Zoom Video Conferencing:** Fire Chief, Ron Beard, Mary Conn, Tracy Brumlik, and Norman Bartlett

## **I. CALL TO ORDER**

Chairman Robinson called the meeting to order at 5:00 pm.

## **II. APPROVAL OF MEETING MINUTES FROM PREVIOUS MEETING**

**MOTION: "To approve the BOS meeting minutes of July 22, 2020 as amended."**

**Motion:** Tamra Ham                      **Second:** Jayne Ludwig                      **All in favor.**

**MOTION: "To approve the BOS meeting minutes of July 27, 2020 as amended."**

**Motion:** Tamra Ham                      **Second:** Jayne Ludwig                      **All in favor.**

**MOTION: "To approve the Non-public BOS meeting minutes of July 27, 2020 as presented."**

**Motion:** Tamra Ham                      **Second:** Jayne Ludwig                      **All in favor.**

*The Board agreed to approve the August 3<sup>rd</sup> meeting minutes next week (8/17).*

## **III. RAFTELIS WATER REPORT Discussion**

*Chairman Robinson suggested discussing this agenda item towards the latter part of the meeting.*

The Town engaged Raftelis to conduct a water and sewer rate study in an effort to assess the financial situation of the Town's Water and Sewer utilities, and to develop water and sewer rates, and subsequent customer impacts of changing the Town's existing methodology for billing water and sewer. This memo served as a project update summarizing the work that Raftelis has completed, assumptions made, and their analyses that have completed thus far. Robinson explained that this report is the preliminary results from the Water and Sewer Rate Study (*see attached*) which is going to go before the Ad Hoc Water Committee on Thursday, August 13<sup>th</sup> at 3p.m. for review and discussion. Robinson commented that the Board would not be making any decisions tonight, however they could review this memo briefly together and note any questions/comments or input that they may have for the Water Committee in advance of their meeting.

Robinson explained that the Town had requested a comparison between the current rate structure (i.e. tap fees) and the proposed rate structure (i.e. metered). Raftelis has developed a Rate and Financial Model that projects revenue and revenue requirements to fiscal year (FY) 2050, as well as an affordability dashboard that calculates the financial burden of customers who fall into the lowest quintile, or the bottom 20% of the range of household incomes in the Town, and median household income brackets. Robinson explained that Raftelis utilized information regarding the town's annual revenue requirements, Capital Improvement Plans (CIP), and the number of accounts in the town.

Selectman Ham read the following from the Conclusion of the Report: *"Switching to a billing structure that revolves around metered consumption has several benefits including...Applying for grants and low-interest loans. Under the current billing system, Lincoln is unable to apply for utility-related grants and loans, as the billing structure is based on property values and not consumption. By moving to a billing system based on consumption, Lincoln can additionally apply for loans and grants to fund future capital projects.* Ham explained that at the present time, the Town of Lincoln does not qualify for any grant programs because the town does *not* have water meters. A discussion ensued on the usage of water meters and the fiscal pros and cons, as well as conservation efforts (residents vs. visitors).

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#### **IV. OLD/NEW BUSINESS**

##### **NEW BUSINESS**

##### **Mediation - Town of Lincoln and Nelson Communications Services (West Street Construction Project):**

Chairman Robinson noted there will be a mediation at Town Hall tomorrow (8/11) concerning the West Street Road Construction project, and the Selectmen will be discussing this matter further tonight in Non-Public.

##### **Town Treasurer – Julie Rolando Resignation:**

Chairman Robinson explained that he received a phone call from Town Treasurer, Julie Rolando informing the Board that she will be resigning from her position as Town Treasurer due to her relocating out of the Town of Lincoln next month (she will be submitting the same in writing shortly). Rolando wanted the Board to be aware so that there was adequate time for them to appoint a replacement Treasurer. Robinson appealed to all Lincoln residents listening to tonight's meeting that may be interested in applying for this position, and asked that they submit a letter of interest to the Board. The new appointee will have adequate time to train with Julie Rolando prior to her departure. Town Manager Burbank added that a vacancy notice will be posted to the Town's Website/Facebook page.

##### **Sidewalk issue on Pollard Road and School Street:**

Chairman Robinson referred to a phone call Selectman Ludwig received last week from a concerned resident about a driveway on Pollard Road and School Street that appeared to slope down and could be a potential danger to someone walking, or in a wheelchair. Ludwig emphasized that the call she received was *not* a complaint, but rather an informational call only. Robinson went on to explain that as a result of this phone call, DPW Director Hadaway and Paul Beaudin (driveway contractor) went to visit the location and determined that it was not built to ADA Slope Compliance for driveways. Robinson explained that he subsequently discussed this matter with Karen and Brian Gallagher, property owners of 181 Pollard Road who requested a meeting with the Board of Selectmen.

Karen and Brian Gallagher joined the discussion and questioned why after one year this issue is being brought to light? Selectman Ludwig responded that she had received an informational telephone call (not a complaint) from a concerned resident that did not want to see anyone getting hurt. Mrs. Gallagher went on to explain that upon hearing about the residents' concern, she subsequently reached out to the contractor (Paul Beaudin) who worked on her driveway and explained the situation. Paul Beaudin's response to her was that all of the preliminary steps of approval were done prior to the work being started, and he had specifically discussed this project with DPW Director, Nate Hadaway regarding the removal and replacement of the sidewalk area. Beaudin asked Hadaway if he needed steel bump strips in order to be ADA compliant, and was told that it was not necessary on driveway entrances. With this information at

hand, Beaudin proceeded to complete the job (as a result the slope is actually less steep than the previous sidewalk).

Mrs. Gallagher went on to explain that now, one-year later from the project's completion, she is being told that she has to spend more money to have the sidewalk repaired to be ADA compliant even though the job was originally done with the approval of DPW Hadaway. Selectman Ludwig asked the Gallagher's if they had applied for a Driveway Permit or if the contractor did? Mrs. Gallagher responded that she believes she is the one who applied for the permit because it is her property. Chairman Robinson explained that the Town owns the sidewalk which was built prior to 1988, however, if the town was to do any repairs or modifications to any sidewalk in town, it would then have to be done in compliance with current ADA Standards. Robinson further explained that the Board was unaware of any issues with this particular sidewalk until it was brought to their attention last week, however, it must now meet the ADA slope requirements of a sidewalk entering a driveway. Robinson also noted that the steel bump strips are not an issue for sidewalks crossing driveways (road crossings only).

Mr. Gallagher commented that he feels that they did their due diligence in taking all of the proper steps (permitting) and hiring a local contractor to do their driveway work, yet, one-year later they are now facing the challenge of making their driveway accessible at no fault of their own. Mr. Gallagher explained that he would appreciate any assistance that the town could offer to help remedy this situation and minimize their financial challenges. Selectman Ham explained that this should have been the contractor's responsibility to know the law, and what is required as far as ADA compliance is concerned, in addition to having insurance to cover work that is done incorrectly or incomplete. Robinson added that this is a federal law and completely out of Lincoln's jurisdiction (the Town has no authority over this matter). Mr. Gallagher explained that he was appealing to the town to possibly allow the Public Works Department to assist him with fixing this problem so that it can be resolved. Chairman Robinson asked DPW Director Hadaway if the town had the equipment necessary to validate the slope of a sidewalk or driveway. Hadaway responded that they do have the equipment, and he did measure the slope with his gage and informed Mr. Beaudin of the non-compliance issue.

Paul Beaudin commented that he discussed with DPW Director Hadaway what the job would entail, where it would begin and end, however, there was never any discussion about ADA compliance, otherwise it would have been addressed at that time, and this current situation would not be happening. Beaudin stated that admittedly he should have known a little bit more, and DPW Director Hadaway should have pressed a little more, as there is blame on both sides to go around. A discussion ensued on liability for repairing this error, and who should be responsible for remedying this issue. The Board agreed they would be flexible with a time-frame for the Gallagher's to repair their sidewalk.

#### **Abatement Request:**

The Town received an abatement request from Commerford, Nieder Perkins (Town's Assessors) for Robert & Lisa Drew for Map 126 Lot 012. The previous assessment was \$1,324,000, and the revised assessment is \$1,216,700. After the assessors reviewed the property and comparables' they have adjusted the grade to be more in line with the market value, and recommended the Selectmen grant this request.

**MOTION: "To grant the abatement request for Robert & Lisa Drew, Map 126 Lot 012."**

**Motion: Tamra Ham**

**Second: Jayne Ludwig**

**All in favor.**

#### **Riverwalk Resort Development - NH 112 Driveway:**

Chairman Robinson referred to an email received from the State of NH – Department of Transportation (DOT) (*see attached*) concerning the proposed expansion of the Riverfront Resort Development (Phase II & III) and their driveway permit. In summary, the state reviewed and approved the scope of work as

presented, however, the Riverfront Resort will have to prepare a Traffic Impact & Site Access Study (TIAS) for the proposed project. Additional information may be requested based on DOT's review of the TIAS, and additional permitting will be required due to the use of the driveways in question having changed over the years since the original permits were written. Robinson commented that it is important that the Riverwalk understand that there is a risk that the Town will not be able to give them an Occupancy Permit until such time they receive their Driveway Permit(s) from the State.

**White Mountain Snowmobile Club 5-Year Lease:**

Chairman Robinson explained that the White Mountain Snowmobile Club multi-lease contract with the Town was an article on the 2020 Town Meeting Warrant (**Article 29-To authorize a five (5) year lease with White Mountain Snowmobile Club**). The Board reviewed the contract and made the following motion:

**MOTION: "To sign the Commercial Lease Agreement for five (5) years with the White Mountain Snowmobile Club."**

**Motion: Tamra Ham**

**Second: Jayne Ludwig**

**All in favor.**

**Town Manager's Report**

**Levee Update:**

Town Manager Burbank informed the Board that Dubois & King Engineer Robert Durfee informed him that the levee was placed back on the *Active* list on January 28, 2020. Burbank further explained that the annual inspection was held last Friday (8/7/20) with the US Army Corp. of Engineers (USACE) and NHDES. Burbank feels that overall, the inspection went very well, and noted that DES and the homeowners were made aware of the Town's position on the portions of the levee that are *not* recognized by USACE. Mr. Durfee is working on the final draft of the O&M Manual which will be reviewed by USACE, NHDES, and the Town. Once the O&M Manual is accepted by USACE, Dubois & King will have the completed contract forwarded to the town.

**Energy Committee (Community Choice Aggregation Program):**

Town Manager Burbank informed the Board that Gilbert Brown (Freedom Energy Logistics) would like to have a Zoom Meeting with the Selectmen to discuss the next steps with the Community Choice Aggregation Program. The Board agreed to invite Mr. Brown to the August 24<sup>th</sup> Selectmen's Meeting either in-person, or via Zoom. Robinson suggested advertising this meeting on the Town's website and Facebook page.

**Budget Committee Meeting Schedule:**

Town Manager Burbank informed the Board that the Budget Committee is preparing to begin their meeting season in mid/late September. Burbank noted there are 14-memebers on this committee, and it is his recommendation that the Budget Committee look into holding hybrid meetings (in-person, and via Zoom) such as the Board of Selectmen and Planning Board are doing, in an effort to safely accommodate all members of the board.

**CIP Meeting Schedule:**

Town Manager Burbank explained that there has been a date change with the upcoming CIP schedule from August 11<sup>th</sup> to August 18<sup>th</sup> (this meeting will combine the CIP organizational meeting with the first Department Head meeting).

**COVID-19 Test Site:**

Town Manager Burbank explained that the Clear Choice COVID test site will be closing down permanently on Thursday, August 13<sup>th</sup>, and they will be vacating the Kanc Rec location (Recreation Staff will begin setting up on August 19<sup>th</sup> for the After-School Program which is scheduled to begin on September 8<sup>th</sup>.

**Water Intake Pump:**

Town Manager Burbank informed the Board that they lost one of the water intake pumps at the Treatment Plant, and Weston and Sampson have been working on replacing this pump. Water Plant Operator Dave Beaudin commented that the Town should seriously begin thinking about instituting water restrictions because the ponds are down dangerously low.

**Full-time Employee Conditional Offer:**

Town Manager Burbank announced that he has made a conditional offer to an applicant, and is currently awaiting a reply. This full-time position is for a Finance/Assessing & Planning Assistant.

**OLD BUSINESS:****Revised Land Use Planning Fee Schedule:**

The Board discussed the recently revised *Land Use Planning Fee Schedule*, and discussed several changes that Town Planner Carole Bont had requested clarification on concerning fees for Site Plan Review/Modification of Approval fees (*see attached*).

**Email received from Peter Marlow:**

Selectman Ham read the following email received from Peter Marlow:

*"On Monday, August 3<sup>rd</sup> I attended the Board of Selectmen's meeting. Paul Beaudin spoke on the meeting. During this time, the Chairman read a letter out loud that Paul had previously written to the Board. In this letter, Paul accused certain members of your office of informing me that he was the person who wanted my cease and desist order enforced. I want to clarify this, no one in your office ever spoke his name to me. I found out from casual conversations I was having with some of my local acquaintances. When I would mention how some guy was verbally yelling at the Planning Board and the Board of Selectmen on Zoom from his kitchen, they all said "that's Paul Beaudin." I wanted to clear that up because I know how difficult it can be to navigate through all the issues that Selectmen and Board Members as well as the town office staff have to deal with. That being said, everyone I have had to deal with in the Town of Lincoln has been professional, courteous, and respectful. They really don't deserve false accusations against them. Respectfully, Peter Marlow"*

Selectman Ludwig asked if Town Engineer, Ray Korber has had a chance to visit Labrecque Street and measure the lots to see how much area has been disturbed. Burbank responded that he was not able to visit Labrecque Street due to a recent medical emergency.

**Short-term Rental Application Processing (Town Hall):**

Chairman Robinson followed up on a recent discussion concerning how Town Hall staff will be handling and processing the Short-Term Rental Applications as they are received at Town Hall. Burbank explained that this newly created position will be overseeing this process, and coordinating with the Planning and Finance Department.

**Route 112 Parking Signs near Ladies Bathtub:**

Selectman Ludwig asked if there was any news on the parking signs for Route 112 (State Road) near the

swimming holes. Town Manager Burbank explained that this must first go through the state, and he would follow-up to see if Director Hadaway has heard back from the State DOT.

#### **Permissible Fireworks:**

Selectman Ludwig asked about permitted fireworks in town because they seem to be going off quite a bit during the week, and on the weekends. Burbank explained that the town has a *Permissible Fireworks Ordinance* (see attached), and the public must obtain a permit from Chief Beard prior to lighting off any fireworks. Chief Beard commented that he hasn't issued many permits recently because by the time he is made aware someone is lighting them off, the show is over. Beard explained that all Class "C" fireworks and rockets that shoot into the air require permitting; and novelty fireworks that you would purchase at 7-11 (sparklers, snappers, snakes etc.) are all permissible, and do *not* require a permit. Ludwig asked about loud parties that go on into the late hours of the night, and if anything is being done about that. Sergeant Stevens responded that if the Police Department is made aware of such complaints, they would follow-up at the location and address the complaint (request that the noise is kept down).

#### **Email received from Susan Chenard:**

*Hi,*

*I was planning to let all of our owners in the rental program know to fill out the form for short-term rentals. However, I don't understand the types of STRs. I've spoken to owners and town staff that aren't completely sure either. STR 1 - can either be someone renting out a portion of the home they live in, or be something like the Lodge or Nordic, where there's onsite property management? and STR 2 would be a random house not in a development, say on Pollard Road or such? But where do places with off-site management, like Coolidge Falls, Clearbrook, etc. fall? And how is STR 3 different from STR 1? or what a Clearbrook or Coolidge Falls home would be, for example, where the owner uses it sometimes and rents it at other times, but it's not in a condo hotel?*

The Board reviewed the various short-term rental types (STR-1, STR-2, and STR-3) (see attached) and explained the following:

**STR Type 1:** is owner or operator occupied, or associated with an owner-occupied Managed Residential Unit Building (e.g., The Nordic or the Lodge at Lincoln Station) where there is onsite property management, or someone renting-out a portion of their home that they live in.

**STR Type 2:** is not owner or operator occupied, and is not associated with an owner-occupied Managed Residential Unit Building. Robinson agreed that this would be a random house (e.g., Pollard Road, School Street, etc.) that is not within a development. In response to Susan's question about where off-site management companies (Clearbrook, Coolidge Falls etc.) would fall, Robinson responded that this would fall under STR Type 2.

**STR Type 3:** is owner or operator occupied, or associated at least part-time. Robinson responded to Susan's question concerning the difference between STR 3 and STR 1, and explained that it would be his understanding that STR-1 means that the property-owner lives in that home/building/unit *or* has an on-site management company; whereas STR-3 refers to an owner that may spend the summers in the home/building/unit and then go to another location in the winter. This would equate to part-time owner/operator occupied.

#### **Ladies Bathtub Police Department Detail**

Chairman Robinson asked Sergeant Stevens if there were any updates on the Police Department details at the Town's swimming holes. Sergeant Stevens responded that there were no issues and everyone seems



to be behaving. The Board was pleased that the weekend was uneventful.

### **Public Participation**

Roger Harrington asked if the town was going to take on the additional portion of the levee that is not covered under the USACE agreement, and asked which side of the levee the check valve was on? Chairman Robinson responded that the valve is on the property owners' side of the levee. Harrington commented that nothing appears to be happening up at Forest Gardens and he cannot understand how they will have the work completed by November. Robinson explained that if the work on The Pines retention ponds is not completed by the required November due date, they will have to come back in before the Planning Board. Town Manager Burbank added that they also have to post a bond prior to beginning the work, which has not been done as of this date.

Dave Beaudin asked about the West Street mediation scheduled for tomorrow, and if the contractor had posted a bond that would weigh in favor of the Town. Robinson explained that both parties (the "Town" and Nelson Construction) believe they were "wronged" and it is not the Bond Company that determines this or makes the final decision.

Paul Beaudin commented for the record that he will work with the homeowner and correct the issue with the Pollard Road sidewalk, however, he wanted it known for the record that as a taxpayer and local business owner, he is totally upset with the fact that he had the Public Works Director look at the sidewalk with him prior to beginning any work, and explained in detail all of the work that he planned on doing at the location, and nothing was ever mentioned to him about ADA Compliance. Beaudin acknowledges that it is the Public Works Director's word against his. Chairman Robinson responded that this is a point well taken.

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### **V. NON-PUBLIC Session Pursuant to RSA 91-A:3:(III) (c,e) Personnel & Legal Update**

**MOTION: "To go into Non-public session pursuant to RSA 91-A:3 (III) (c,e)"**

**Motion: Tamra Ham**

**Second: Jayne Ludwig**

**All in favor.**

**The BOS went into Non-public session at 7:00 p.m.**

**MOTION: "To re-enter public session."**

**Motion: OJ Robinson**

**Second: Jayne Ludwig**

**All in favor.**

**The Board came back into public session at 7:25 p.m.**

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### **VI. ADJOURNMENT**

After review of the weekly payables, and with no further business to attend to, the Board made the following motion:

**MOTION: "To adjourn."**

**Motion: OJ Robinson**

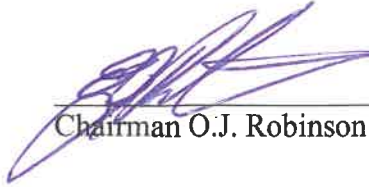
**Second: Tamra Ham**

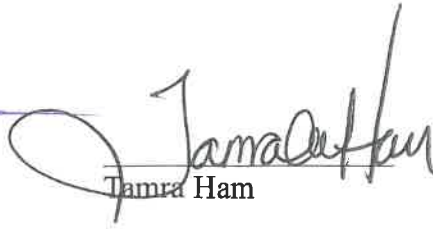
**All in favor.**

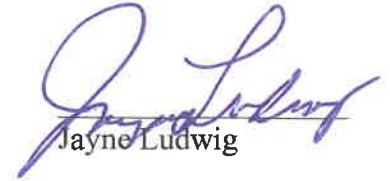
**The meeting adjourned at 7:30 p.m.**

Respectfully Submitted,  
Jane Leslie

  
Approval Date: August 17, 2020

  
Chairman O.J. Robinson

  
Tamra Ham

  
Jayne Ludwig





**Victoria F. Sheehan**  
**Commissioner**

**THE STATE OF NEW HAMPSHIRE**  
**DEPARTMENT OF TRANSPORTATION**



**William Cass, P.E.**  
**Assistant Commissioner**

July 30, 2020

Inn Seasons Resorts  
Attn: Dennis Ducharme  
22 South Mountain Drive  
P.O. Box 69  
Lincoln, NH 03251

**RE: Lincoln, NH-112, Riverwalk Resort Development Driveway**

Dear Mr. Ducharme:

The District One office has received the attached letter from Attorney Ari Pollack of Gallagher, Callahan & Gartrell, dated June 29, 2020 as it relates to the proposed expansion for the Riverwalk Resort Development (Phases II & III). The Department has reviewed the letter and has the following response:

The letter provided a Scope of Work from Stephen G. Pernaw & Company, Inc. dated June 11, 2020 to prepare a "Traffic Impact & Site Access Study" (TIAS) for the proposed project and requested that the Department ensure acceptance of the scope and avoid delays relating to additional data requests. The Department has reviewed the scope and hereby approves the scope as presented. However, additional information may be requested following the Department's review of the TIAS submittal.

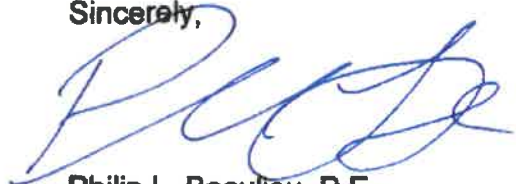
Attorney Pollack also requested that the proposed submission be considered supplemental and informational and that the project should be allowed to proceed with construction under the previously-issued driveway permits (1330-P and 2999-PR). Unfortunately, the use of the driveways in question has changed over the years since the original permits were written. There have also been other changes related to traffic volume, surrounding land use and other development within this corridor of NH-112. Therefore, the Department considers the proposed use an 'alteration' to the originally permitted drives, which will necessitate additional permitting. The previously attended scoping meeting and requested TIAS are the first steps in this permitting process.

However, The Department is sensitive to your proposed construction schedule and has no objection to you starting construction on September 30, 2020, because the driveways currently exist and the increased use of those driveways is many months away from now, when the hotel opens for business. With that said, we would like to reiterate that the TIAS may likely identify the need for some on- and/or off-site improvements along the NH-112 corridor to mitigate for impacts associated with the current and previous developments. The exact nature of these improvements will become clear as we move through the permitting process, but it is our expectation that the improvements must be implemented prior to the hotel taking occupancy.

We understand that time is of the essence and we anticipate taking the time necessary to review the project appropriately. We look forward to working with you and your team through this process and we are confident that we will be able to eliminate any unnecessary delays in review times, on our part.

If you have any questions, feel free to contact me at this office at (603) 788-4641.

Sincerely,



Philip L. Beaulieu, P.E.  
District 1 Engineer

Cc: Town of Lincoln, Planning  
Bureau of Traffic, Nicholas Sanders (email only)  
Bureau of Highway Design, John Butler (email only)  
Hoyle, Tanner, Associates, Inc. William Davidson (email only)  
Gallagher, Callahan & Gartrell, Attorney Ari Pollack (email only)  
Stephen G. Pernaw, P.E. (email only)  
File District 1

Attachments: Correspondence from Attorney Ari Pollack, dated June 29, 2020

## FEES AND COSTS SHEET

Property Owner Name: \_\_\_\_\_

Owner's Mailing Address: \_\_\_\_\_

Owner's Phone: \_\_\_\_\_

Owner's Email Address: \_\_\_\_\_

Property Address: \_\_\_\_\_

Map/Lot: \_\_\_\_\_ Project Name: \_\_\_\_\_

<b>FEES:</b>	<b>AMOUNT</b>
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### **PLANNING BOARD (Planning Board) AND ZONING BOARD OF ADJUSTMENT (ZBA):**

Most matters that appear before the Planning Board or ZBA require Abutter Notices sent by certified mail, return receipt requested and publication in a local newspaper and on the Town's website as well as posting in two public places in Town.

#### **NOTICE FEES:**

**\$150** (approx.) Legal Notice fee (Newspaper publication) – at cost\* \$ \_\_\_\_\_

\*Publication of Legal Notices is currently estimated to be \$150.

The cost of Publication in the Newspaper will be passed onto Applicant as costs vary depending on size of ad and which newspaper is used.

**\$5+** Abutter Notice fee per Abutter PLUS\* \$ \_\_\_\_\_

\*USPS Certified Mail, Return Receipt Requested rate per name on Abutter List **PLUS** three labels (\$.025/each). Postal fees are subject to change according to rate increases by USPS. The Town of Lincoln reserves the right to increase postal rates accordingly.

†Current Cost to prepare & mail abutter notices for up to 1 ounce (**for each abutter**) (\$5.00 per Notice **PLUS** \$7.10 for Certified Mail, Return Receipt Requested;

**PLUS** \$.75 per abutter [\$0.25 per label, 3 labels per abutter] =>**\$12.85**.†

†This rate is subject to change depending on the weight of the mailing. Difference in cost to be paid by Applicant.

#### **RECORDING FEES:**

**\$25** LCHIP fee for each plan being recorded in the Registry of Deeds (Mandated by State of NH) \$ \_\_\_\_\_

[LCHIP stands for NH Land and Community Heritage Investment Program]

\*Separate certified check or money order payable to:

"Grafton County Registry of Deeds"

**\$25+** Registry fee – Processing fee **plus** Recording Fee from Grafton County Registry of Deeds \$ \_\_\_\_\_

<b>Current Cost to record PLANS:</b>
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A. 8 ½ X 11 = \$11

B. 11 X 17 = \$11

C. 17 X 22 = \$16

D. 22 X 34 = \$26

#### **PLANNING BOARD:**

##### **Site Plan Review:**

##### **Minor Projects:**

**\$50+** Fee for Site Plan Review for **minor projects**\* \$ \_\_\_\_\_

\***PLUS** Legal Notice, Abutter Notices and Registry Fees+\$5 per \$10,000

Estimated Cost of Construction (ECC)

- **Major Projects:**

<b>\$500+</b>	Fee for Site Plan Review for <b>major projects*</b>	\$ _____
	<b>*PLUS</b> Legal Notice, Abutter Notices and Registry Fees <b>PLUS</b>	
	\$5 per \$10,000 Estimated Cost of Construction (ECC) <b>PLUS</b>	
	\$0 to \$2,500,000 ECC	\$2.50 per \$10,000 of ECC
	\$2,500,001 ECC to \$10,000,000 ECC	\$2.00 per \$10,000 of ECC
	\$10,000,001 ECC to \$15,000,000 ECC	\$1.50 per \$10,000 of ECC
	Over \$15,000,001 ECC	\$1.00 per \$10,000 of ECC

- **Modification of Prior Approvals:**

<b>\$500</b>	Site Plan Review – Modification of Approval if Abutter Notices are Required*	\$ _____
	<b>*PLUS</b> LCHIP, Legal Notice, Abutter Notices and Registry Fees <b>PLUS</b>	
	\$5 per \$10,000 Estimated Cost of Construction (ECC) <b>PLUS</b>	
	\$0 to \$2,500,000 ECC	\$2.50 per \$10,000 of ECC
	\$2,500,001 ECC to \$10,000,000 ECC	\$2.00 per \$10,000 of ECC
	\$10,000,001 ECC to \$15,000,000 ECC	\$1.50 per \$10,000 of ECC
	Over \$15,000,001 ECC	\$1.00 per \$10,000 of ECC
<b>\$500</b>	Site Plan Review – Modification of Approval if <b>NO</b> Abutter Notices are Required*	\$ _____

Subdivision - (Payable at time of Design Review Application submission)

- **Minor Projects:**

<b>\$300+</b>	<b>Minor Subdivision</b> – <b>PLUS</b> LCHIP, Legal Notice, Abutter Notices and Registry Fees	\$ _____
<b>\$200</b>	<b>Minor Subdivision</b> – Modification of Approval	\$ _____

- **Major Projects:**

<b>\$600+</b>	<b>Major Subdivision</b> – Base fee plus \$75/ lot, plat, site, or other division of land including Units per RSA 672:14, <b>PLUS</b> LCHIP, Legal Notice, Abutter Notices and Registry Fees	\$ _____
<b>\$500</b>	<b>Major Subdivision</b> – Modification of Approval	\$ _____

- **Condominium Project that also require Site Plan Review Approval:**

<b>\$0</b>	<b>No additional fees for Subdivision. See Site Plan Review fees.</b>	\$ _____
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- **Lot Line Adjustments & Boundary Agreements & Lot Mergers:**

<b>\$150+</b>	<b>Minor Lot Line Adjustment and Boundary Agreements PLUS</b> , LCHIP, Legal Notice, Abutter Notices and Registry Fees	\$ _____
<b>\$50+</b>	<b>Lot Merger</b> plus Registry Fees	\$ _____

**PERMIT FEES:**

Commercial, Institutional, Multi-Family, and Other Non-One-and two-family residential Construction (ALL CONSTRUCTION) Land Use Authorization Permit:

<b>\$100+</b>	+\$1.00 per \$1,000 of construction cost, \$15,000 maximum	\$ _____
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One- and two-family residential Land Use Authorization Permit:

<b>\$350</b>	<b>Finished Dwellings</b>	\$ _____
<b>\$250</b>	<b>Renovations, additions, alterations, etc.</b>	
	○ With new water/ sewer fixtures, new bedrooms, and /or new heated spaces renovations, additions, alterations, etc.	\$ _____
	○ Other Renovations with <b>no</b> New water/sewer fixtures, <b>no</b> new bedrooms, and/ or <b>no</b> new heated spaces	\$ _____
<b>\$0</b>	<b>If less than \$10,000 construction cost</b> , additional cost for other renovations with no new water/ sewer, bedrooms, or heated spaces	\$ _____

\$40	<i>If more than \$10,000 construction costs</i> , additional cost for other renovations with no new water/ sewer, bedrooms, or heated spaces	\$ _____
\$50	<b>Non- Habitable structures</b> (porches, garages, shed, fence, pool, temporary Trailer, retaining walls, etc.)	\$ _____
\$50	<b>Land Use Compliance Certificate</b> – per requested official inspection	\$ _____

#### **RETAINING WALLS GREATER THAN FOUR FEET IN HEIGHT:**

\$0	<b>Retaining Wall</b> Land use permit – if included in the application for another Project	\$ _____
\$50	<b>Retaining Wall</b> Land use permit – if <b>not</b> included in the application for another Project	\$ _____
\$1,500	<b>Retaining Wall</b> Greater Than Four Feet (4') in Height <b>Escrow Account</b> for 3 <sup>rd</sup> party reviewer With Signed Escrow Agreement with the Town*	\$ _____

#### **STORMWATER MANAGEMENT PLAN AND/OR EROSION CONTROL PLAN:**

\$1,500	Stormwater Management Plan (escrow account for 3 <sup>rd</sup> party reviewer)* With Signed Escrow Agreement with the Town	\$ _____
\$25	Recording Fee for Stormwater Management Operation & Maintenance (O&M) Plan <b>PLUS</b> *	\$ _____
\$12	Per Page* (for each extra page Stormwater O&M Plan)	\$ _____

#### **RESUBMITTALS, EXTENSIONS, AND INSPECTIONS:**

\$100	<b>Application resubmittal</b> (if filed 6 months or more after the date of rejection, must file new application for new permit).	\$ _____
\$100	<b>Application resubmittal</b> –The application fee shall accompany the initial application. The Applicant has one month to supply any items needed for the application to be considered “complete”. After 1 month there is a \$100 fee to re-submit the application.	\$ _____
\$50	<b>Permit Extension</b>	\$ _____
\$75	<b>Re-Inspection*</b>	\$ _____
\$75	<b>Additional Inspection*</b>	\$ _____
	<i>*Re-Inspection Fees and Additional Inspection Fees to be paid prior to scheduling the Final Land Use Compliance Certificate Inspection.</i>	
\$0	<b>Request for <u>life safety inspection</u></b> , to enable occupancy prior to issuing a Land Use Compliance Certificate Issuance	\$ _____
\$75	<b>Health Inspection</b> - \$75 per Inspection	\$ _____

#### **MOVING OR DEMOLITION:**

\$50	Moving or Demolition	\$ _____
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#### **SIGN, AWNING, OR CANOPY:**

\$50	Sign, Awning, or Canopy	\$ _____
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#### **PROJECTS REQUIRING OUTSIDE CONSULTING ASSISTANCE:**

\$+	<b>Projects requiring outside consulting assistance</b> (where outside consulting services for plan review, testing or inspection are required) applicant pays for all necessary 3 <sup>rd</sup> party reviews.	\$ _____
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**ZONING:**

\$50	Zoning Permit only	\$ _____
\$50	Driveway Permit (Zoning Review)	\$ _____
\$300+	Special Exception ( <u>plus</u> legal notice <u>plus</u> abutter notification)	\$ _____
\$100	Per zoning petition	\$ _____
\$300+	Variance ( <u>plus</u> legal notice <u>plus</u> abutter notification)	\$ _____
\$300+	Appeal of Administrative Decision ( <u>plus</u> legal notice <u>plus</u> abutter notification)	\$ _____
\$300+	Equitable Waiver ( <u>plus</u> legal notice <u>plus</u> abutter notification)	\$ _____
\$300+	Hearing Under RSA 674:41 (pl <u>plus</u> legal notice <u>plus</u> abutter notification)	\$ _____
\$100+	Rehearing ( <u>plus</u> legal notice <u>plus</u> abutter notification)	\$ _____

**TOTAL Application Submission Fees and Costs\*\***

\$ \_\_\_\_\_

Administrative Expenses\*\*\*

\$ \_\_\_\_\_

Technical Review Fee Agreement Costs\*\*\*

\$ \_\_\_\_\_

**TOTAL OF COSTS & FEES**

\$ \_\_\_\_\_

*\*\*To be paid before acceptance of application*

***	To be paid before final decision
*	To be paid before acceptance of application
†	To be paid before final decision

**AMOUNT RECEIVED FROM APPLICANT**

\$ \_\_\_\_\_

**DATE AMOUNT RECEIVED FROM APPLICANT**

\$ \_\_\_\_\_

**FOR OFFICE USE ONLY****TOTAL AMOUNT DUE** \_\_\_\_\_**TOTAL AMOUNT PAID** \_\_\_\_\_**BALANCE REMAINING DUE** \_\_\_\_\_**Paid Date** \_\_\_\_\_**Balance Remaining** \_\_\_\_\_**Due No Later Than** \_\_\_\_\_**Check Number** \_\_\_\_\_**Cash** \_\_\_\_\_**Received By:** \_\_\_\_\_



# Town of Lincoln New Hampshire

## ***Short-Term Rental Registration***

Submittal Date: \_\_\_\_\_ Registration Fee of \$50.00 per tax parcel

**1. TYPE OF SHORT- TERM RENTAL BEING APPLIED FOR:**\_\_\_\_ **STR TYPE 1.****STR Type 1 is owner or operator occupied** or associated with an owner-occupied Managed Residential Unit Building.\_\_\_\_ **STR TYPE 2.****STR TYPE 2 is not owner or operator occupied** and is not associated with an owner-occupied Managed Residential Unit Building.\_\_\_\_ **STR TYPE 3.****STR TYPE 3** is owner or operator occupied or associated at least part-time.**2. APPLICANT INFORMATION**

Applicant's Name:	
Applicant's Address:	
Telephone:	E-Mail:

Owner Information    Same as Applicant Y / N

Entity/Owner Name:	Entity/Owner Contact Person:
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Owner's Address:

Telephone: \_\_\_\_\_ E-Mail: \_\_\_\_\_

**DESIGNATED EMERGENCY CONTACT** *(With a Response Time in person or by phone of 45 Minutes)*

Designated Contacts Name:	
Designated Contacts Address:	
24 Hour Telephone:	Email:

**3. NH Room and Meal's Tax Licensed Y / N****4. Does the unit(s) have working Smoke and CO Detector's Y/N****5. Any questions you can request a free Life Safety Inspection.**

## **PREMISES INFORMATION**

Physical address of the short-term rental:

Street Address: \_\_\_\_\_ Unit Number(if applicable) \_\_\_\_\_

### **Type of Structure:**

Residential (Single Family) O      Residential (Two Family/Multi) O      Accessory Dwelling O

Apartment or Unit in Multi-Family-Unit Building O

Number of Bedrooms: \_\_\_\_\_ Number of Bathrooms: \_\_\_\_\_

**Burglar/Fire Alarm Registered with the Police Department: Y / N**

Number of Designated Parking Spaces on the Property: \_\_\_\_\_

List of short-term rental platforms the property will be advertised through (ex. AirBnB, HomeAway, VRBO, ect): \_\_\_\_\_

### **LIST OF TOWN ORDINANCES THAT ARE STRICTLY ENFORCED AND RENTERS MUST BE AWARE OF:**

***Permissible Fireworks Ordinance, Dog Ordinance, Drug Paraphernalia Ordinance***

***Public Drinking Ordinance, Wild Animal Ordinance, Disorderly Action Ordinance***

***Winter and Inclement Weather Ordinance.*** Ordinances can be viewed on the Town's

Web Site. [www.lincolnnh.org](http://www.lincolnnh.org)

### **Acknowledgment**

By signing this registration form, I acknowledge that I am aware of the Town of Lincoln's Ordinances listed above including the Short-Term Rental Ordinance.

### **Property Owners Signature**

X \_\_\_\_\_ Date: \_\_\_\_\_

Staff

Registration Fees Paid \$

Acceptance: Y N By:

Registration Number(s): 2020- \_\_\_\_\_

# MEMO

**To:** Lincoln Water and Sewer Commissioners  
**From:** Dave Fox, Manager, Raftelis  
**Date:** May 8, 2020  
**Re:** Water and Sewer Rate Study – Preliminary Results

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## Introduction

Raftelis Financial Consultants, Inc. (Raftelis) was engaged by the Town of Lincoln, New Hampshire (Town or Lincoln) to conduct a Water and Sewer Rate Study in order to assess the financial situation of the Town's Water and Sewer utilities, and to develop water and sewer rates and subsequent customer impacts of changing the Town's existing methodology for billing water and sewer. This memo will serve as a project update as to the work that we have completed, assumptions made, and the analyses that we have completed thus far. Raftelis has developed a Rate and Financial Model that projects revenue and revenue requirements to fiscal year (FY) 2050, as well as an affordability dashboard that calculates the financial burden of customers who fall into the lowest quintile, or the bottom 20% of the range of household incomes in the Town, and median household income brackets.

## Data Collected and Model Assumptions

When designing new water and sewer rates for the Town, Raftelis received relevant information that aided in calculating new rates, which included revenue requirements, Capital Improvement Plans (CIP), and the number of accounts in the Town. Our findings and calculations, as well as assumptions made to complete the calculations, are outlined below.

### Revenue Requirements

Raftelis received information regarding the annual revenue requirements for the Town, starting with FY 2016 to FY 2019. To project the future revenue requirements of the Town, Raftelis assumed a 3% increase per year for total revenue requirements, which is consistent with the national standard of inflation.

The CIP for the Town consists of several For CIP and financing, it was assumed that the repayment period for all proposed debts would be a 20-year period, with a 2-4% interest rate, depending on the source of the loan to fund capital projects. Revenue-backed loans for all water- and sewer-related capital projects were assumed to take on a 4% interest rate, while state-revolving fund loans for water and sewer capital projects were assumed to take on a 2% interest rate.

Existing debt service payments were logged into the model based on the debt service information received by Raftelis from the Town. We assumed the debt schedule would be paid in full each year from FY 2020 and beyond based on each issuances repayment schedule.

After establishing these assumptions, Raftelis forecasted the revenue requirements for each year until FY 2050. Although our model is forecasted 30 years, we focused our attention on the first five. The next five projected fiscal years of estimated revenue requirements can be seen in Table 1.

*Table 1. Forecasted Revenue Requirements, FY 2021 - FY 2025*

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Projected	Projected	Projected	Projected	Projected
<b>Water Cashflow</b>					
<u>Revenue Requirements</u>					
Operating Expenses	\$ 382,704	\$ 394,185	\$ 419,510	\$ 418,191	\$ 430,736
Existing Debt Service	223,220	125,638	104,900	-	-
Proposed Debt Service	-	36,694	36,694	36,694	36,694
Cash-Funded (PAYGO)	200,000	216,000	216,000	212,000	206,000
<i>Subtotal: Water Revenue Requirements</i>	<i>\$ 805,924</i>	<i>\$ 772,516</i>	<i>\$ 777,104</i>	<i>\$ 666,885</i>	<i>\$ 673,430</i>
<b>Sewer Cashflow</b>					
<u>Revenue Requirements</u>					
Operating Expenses	\$ 265,490	\$ 273,455	\$ 281,659	\$ 290,108	\$ 298,812
Existing Debt Service	-	-	-	-	-
Proposed Debt Service	-	36,694	36,694	36,694	36,694
Cash-Funded (PAYGO)	285,000	285,000	135,000	135,000	120,000
<i>Subtotal: Sewer Revenue Requirements</i>	<i>\$ 550,490</i>	<i>\$ 595,149</i>	<i>\$ 453,353</i>	<i>\$ 461,802</i>	<i>\$ 455,506</i>
<b>Total: Water &amp; Sewer Revenue Requirements</b>	<b>\$ 1,356,414</b>	<b>\$ 1,367,665</b>	<b>\$ 1,230,457</b>	<b>\$ 1,128,687</b>	<b>\$ 1,128,936</b>

## Revenues

Raftelis used the projected revenue requirements to construct water and sewer rates to fully recover the projected revenue requirement from FY 2021 for both water and sewer and apply these rates to future fiscal years. To calculate the financial potential of generating revenues from water and sewer rates, we made several assumptions regarding water consumption, the number of water accounts, and the structure of both volumetric and fixed charges for water and sewer. Fire charges were not included in this study, as it was assumed that public and private fire charges would not be used to recover the projected revenue requirements.

The first assumption made was that the billing cycles for the Town would be on a quarterly basis; customers would be billed every three months for their water and sewer consumption. Since the Town has not read meters for ten years, making previous consumption data relatively unreliable, we assumed that each year, the Town of Lincoln would consume 192,136 thousand gallons (Kgals), or 192,136,000 gallons of water. This number was contrived from a recent pumping study performed for the Town. The study looked at seasonal water production, which yielded the water consumption assumption of 192,136 Kgals, as the study served as a reasonable estimate for customer water consumption. We also assumed that there were approximately 3600 active water and sewer accounts. Each individual customer account represented a water and sewer account.

When designing the water and sewer rates for the Town, we assumed both fixed and volumetric charges for water and sewer for all utility customers. Fixed charges are flat charges that are the same every quarter for a customer and are to help fund the costs associated with meter repairs, replacements, maintenance, and billing. Volumetric charges are charges based on water consumption. We made several assumptions when establishing water and sewer rates for the Town, which include:

- Billed sewer consumption would be based on billed water consumption. This assumption is in line with many billing practices of other municipalities: other municipalities bill sewer consumption as a portion of or equal to metered water consumption.
- 20% of revenues generated from the established rates would come from fixed charges, while the remaining 80% of revenues would come from volumetric charges. This is for revenue stability purposes, as the portion of revenue coming from fixed charges will be consistent and steady each year, while volumetric charge revenues are much more volatile, as they are based on customer consumption behaviors;
- Fixed charges would be constructed so that they follow the American Water Works Association Industry Standards. These standards are ratios that scale the fixed charge prices based on the size of the meter; this means that, the larger the meter size, the higher the fixed charge would be for that customer.

Raftelis has provided within its Financial Model a tool that allows the Town to change these assumptions and recalculate new water and sewer rates based on the applied changes to the assumptions made above. Water and sewer calculated fixed and volumetric charges are shown in Table 2, which is split by whether the charge is for water or for sewer.

*Table 2. Calculated Water and Sewer Rates to go into Effect FY 2021*

FY 2021	
<i>Projected</i>	
<b>Water Rates</b>	
<u>Fixed Charges (Quarterly)</u>	
5/8"	\$ 11.19
3/4"	16.79
1"	27.98
1.5"	55.97
2"	89.55
3"	167.90
4"	279.83
6"	559.67
<u>Volumetric Charges (per Kgal)</u>	
Tier 1	\$ 3.36

FY 2021	
<i>Projected</i>	
<b>Sewer Rates</b>	
<u>Fixed Charges (Quarterly)</u>	
5/8"	\$ 7.65
3/4"	11.47
1"	19.11
1.5"	38.23
2"	61.17
3"	114.69
4"	191.14
6"	382.28
<u>Volumetric Charges (per Kgal)</u>	\$ 2.29

As of now, Raftelis has not calculated any charges for public and private fire protection, meaning all revenue requirements will be recovered with the calculated water and sewer rates seen in Table 2.

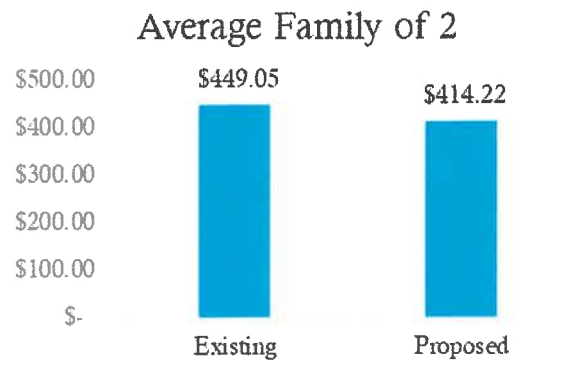
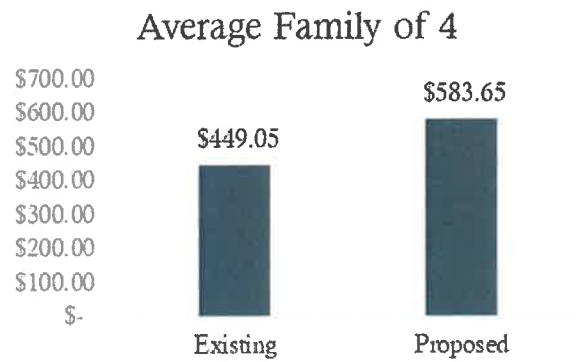
### Customer Impacts

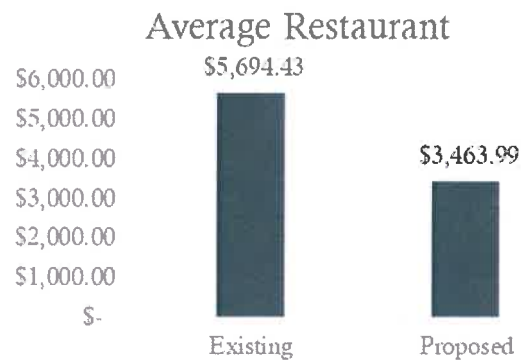
To ensure that the calculated water and sewer rates do not significantly financially impact the customers of Lincoln, Raftelis conducted a customer impact survey using standard customer consumption information. We created five categories of customers to compare their existing utility billing method, which is based on property values, to the new billing method, which is using consumption and meter size information. The five categories included:

- A Household Family of 2, with an annual consumption amount of 60 Kgals, and assessed property value of \$203,100.00.
- A Household Family of 4, with an annual consumption amount of 90 Kgals, and assessed property value of \$203,100.00.
- A Motel, with an annual consumption of 1,000 Kgals, and assessed property value of \$1,701,800.00
- A Restaurant, with an annual consumption of 600 Kgals and assessed property value of \$2,575,500.00.
- The Loon property, with an annual consumption of 10,000 Kgals and assessed property value of \$24,604,900.00.

These 5 customer types were used to calculate utility bills under the current method of billing and compare the total annual bill to the new method of using water and sewer consumption. Figures 1-5 compare the annual utility bills based for each customer category using the existing and new billing methods. The "proposed" annual bills use the new fixed and volumetric water and sewer charges found in Table 2.



*Figure 1. Bill Comparison of Average Family of 2**Figure 2. Bill Comparison for Average Family of 4**Figure 3. Bill Comparison for Average Motel*

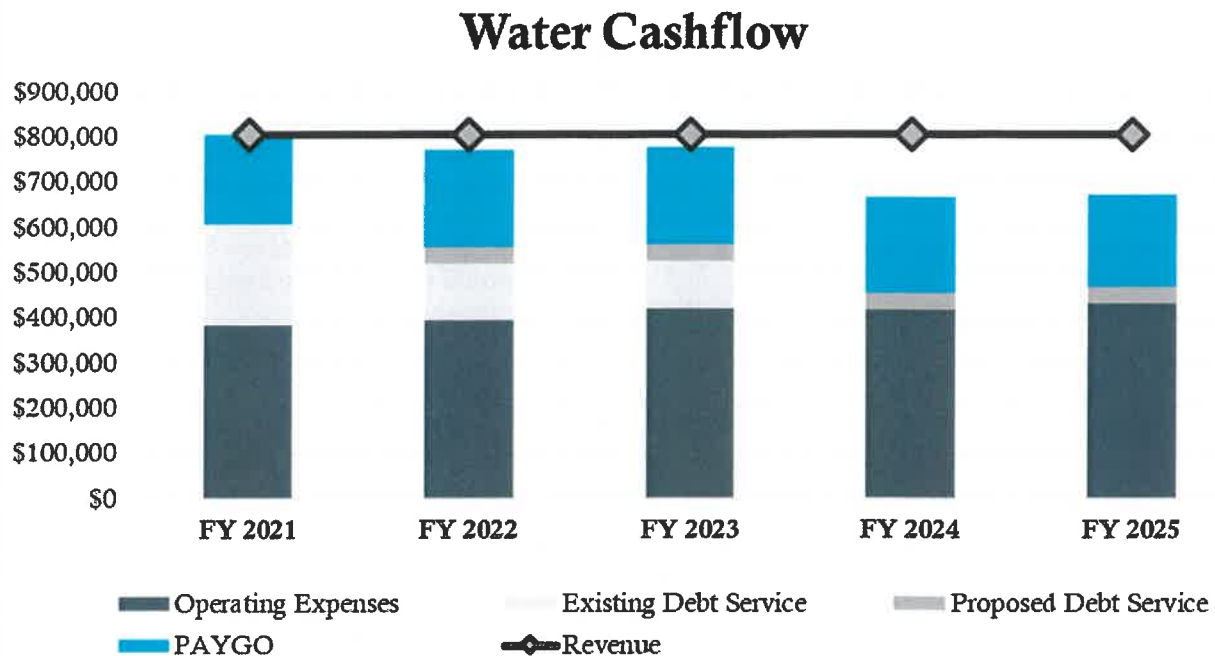
*Figure 4. Bill Comparison for Average Restaurant**Figure 5. Bill Comparison for Average Loon*

As the customer impacts show, the bills for the customer categories created, on average, increase by 8%. While this may seem problematic at first, it is important to observe the customer categories that have an increased utility bill under the new billing structure are customers that already use large quantities of water a year in comparison to their property values; loons, households of four, and motels. Although this change in billing methodology would have adverse impacts on some properties, it could be argued that this shift is just remedying a current inequity in the Town's cost structure.

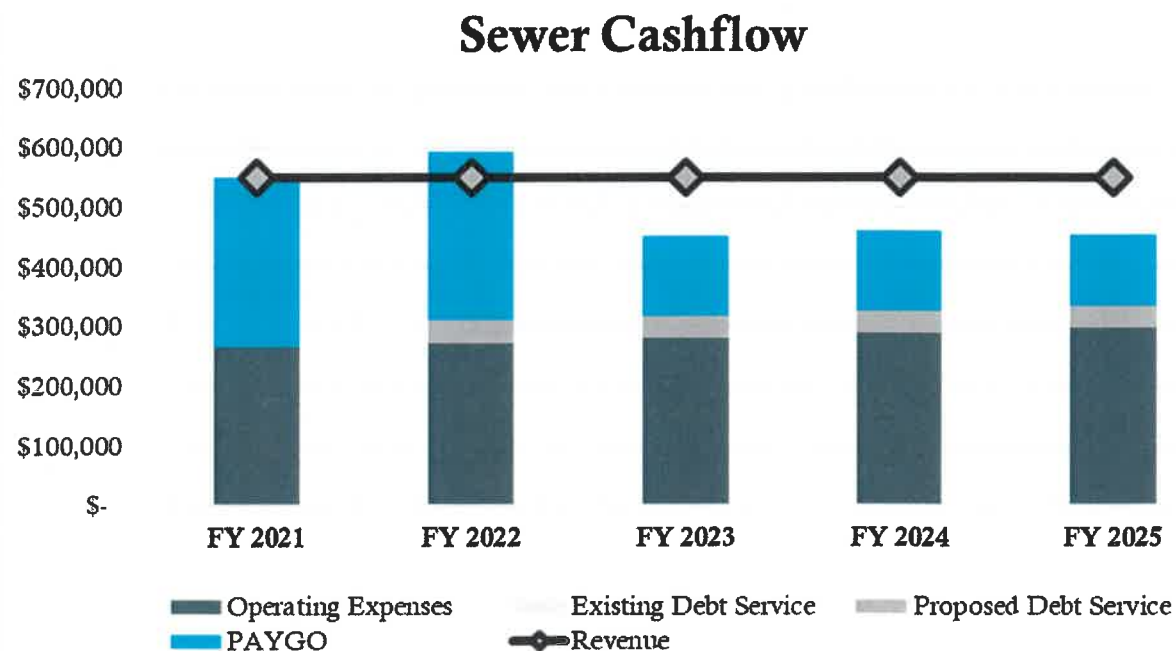
### Financial Analysis

In addition to the customer impacts analysis, Raftelis also conducted a high-level financial analysis to see the five-year impacts on switching to a water and sewer consumption billing structure. Figures 6 and 7 show the cashflow of the water and sewer financial aspects of the utility.

*Figure 6. Water Cashflow Under Consumption-Based Billing Structure*



*Figure 7. Sewer Cashflow Under Consumption-Based Billing Structure*



The figures show that, if the Town were to consume the same amount of water each year, and not change nor increase the new billing rate structure, the town would meet and exceed the revenue requirements from FY 2023 onward. In addition to these figures, Raftelis has constructed a financial model tool that allows

for the Town to increase or decrease water and sewer rates based on the forecasted revenue requirements, as well as the number years that display on the charts.

### Affordability Analysis

After the financial analysis was completed, Raftelis also conducted an affordability analysis to see the impacts of the new water and sewer billing structure on low-income and median-income residential families in Lincoln. Using Census information, Raftelis found that, based on a 20-kgal per quarter consumption amount, a household making approximately \$43,000 would only use 1.2% of their total annual salary to pay their annual utility bill. Households that make approximately \$22,000 would use only 2.3% of their total annual income to pay their utility bills for the entire year. Both percentages are considered low, and thus, Raftelis concluded that the new water and sewer rates would not provide a financial burden on both median- and low-income households within the Town.

### Conclusion

Raftelis has calculated new water and sewer fixed and volumetric charges for the Town of Lincoln based on the projected revenue requirements for FY 2021 and onward. The calculated water and sewer rates can be found in Table 2. Switching to a billing structure that revolves around metered consumption has several benefits, including:

- Conservation promotion. Billing customers based on their water consumption will help to incentivize customers to reduce their water use as the cost of using water from the utility for each customer will be based on the amount of water they consume in each quarter.
- Changing revenue requirements. Revenue requirements differ between whether they are coming from water or sewer. Having a billing system in place that separates revenue generated from water use and sewer use allows for the utility to more easily adjust their rates to conform to upcoming utility projects or expenses that may fall into a water or sewer category.
- Customer equity. Billing customers based on their water consumption, rather than their property value, provides for a more equitable cost structure. By billing customers based on the demand they're placing on the system, rather than on property value which has no direct correlation with demand, customers will receive bills which are much more equitable and explainable.
- Better ability to perform long-term financial planning. By generating each utilities' revenues from user charges, rather than taxes, it will be easier to do more proactive and long-term financial planning to ensure financial sustainability of the funds.
- Apply for grants and low-interest loans. Under the current billing system, Lincoln is unable to apply for utility-related grants and loans, as the billing structure is based on property values and not consumption. By moving to a billing system based on consumption, Lincoln can additionally apply for loans and grants to fund future capital projects.

- **Question #1:** The Town requested a comparison between the current rate structure (i.e. tap fees) and the proposed rate structure (i.e. metered). Please provide a narrative describing the two rate structures, the pros and cons of each and a billing comparison of the two structures under the 5 user categories described in your memo (if possible).
  - Answer #1: The Town's existing rate structure is not an actual rate, but rather based on taxes and fees. This tax portion of this cost recovery mechanism is incredibly revenue stable in that its not dependent upon volumes of water consumed, or volumes of sewer contributions. On the other hand, it is not very equitable in nature as property values provide little to no indication of the actual demand that property is placing on the water and sewer systems. For example, an expensive property with a single occupant, using very little amounts of water, is currently paying more than a less expensive property housing a family of five. In theory, this family of five is placing a much higher demand on the utility systems, and as such should pay more. A cost recovery mechanism based on water consumption would remedy this inequity, albeit do so in a less revenue stable way. As an anecdote, the vast majority of water and sewer utilities across the country assess their fees based on water consumption. The Town's existing cost recovery mechanism also limits its ability to do longer term financial planning and receive grant funding. In short, the Town's existing structure is revenue stable, yet inequitable. A structure based on actual consumption would be less revenue stable, yet more equitable.
- **Question #2:** In comparison to the existing rate structure, the proposed rate structure appears to shift the cost burden from one user group to another. Can you comment specifically on what that will look like?
  - Answer #2: In short, the proposed rate structure shifts costs from properties with relatively high assessed value and relatively low water consumption to properties with relatively low assessed value and relatively high-water consumption.
- **Question #3:** There are no recommendations for connection fees under the proposed rate structure. Does that mean you are not recommending connection fees? How can the Town incorporate connection (i.e. tap) fees into the proposed structure and what would a defensible connection fee look like?
  - Answer #3: No, we are not recommending the removal of connection fees with the proposed rate structure. Rather, and based on discussions with the Town regarding its current methodology, we are proposing that the Town's existing methodology for assessing connection fees remain intact. In theory, we want growth to pay for growth, and connection fees accomplish that goal.
- **Question #4:** It seems the proposed rate structure was not built around a robust CIP. (i.e. water tank, WWTP upgrades, etc.). Should we recast the rates under a higher debt load for major capital expenses?

- Answer #4: Our model assumes \$1.65 million in capital improvements for the water utility, and \$1.56 million for the sewer utility. These include \$1.2 million in total, split 50/50, for meter replacement. I will defer to the Town to indicate whether this level of spending is adequate or inadequate, and would be more than happy to update the capital improvements plan as necessary.
- **Question #5:** The proposed rate structure assumes a meter replacement program will be completed. These costs (procurement, installation, administration) are not accounted for in the rate structure. What do the rates look like under the new way of doing business?
  - Answer #6: The proposed rate structure does account for the upfront costs associated with a meter replacement program, but does not include any additional O&M expenses going forward. After discussions with the Town, it was determined that there would be no significant change to the O&M expenses under either utility, other than inflationary increases annually, which we've assumed to be approximately 3%.
- **Question #6:** How do the rates compare to the statewide average under the proposed rate structure?
  - Answer #6: According to a rate survey completed by the Environmental Finance Center at the University of North Carolina, in conjunction with the New Hampshire Department of Environmental services, an average family of four using 7,500 gallons of water per month would pay an annual water and sewer bill of \$1,445.04. Under the proposed rate structure, the exact same customer of the Town would pay \$583.65.