

GUIDE TO QUARTERLY SERVICE RATES/CHARGES

Hooksett Village Water Precinct, Hooksett, NH

OVERVIEW:

The Hooksett Village Water Precinct is a public water system that has provided safe, clean water for drinking and fire protection purposes since the 1940s. The system is fed by several large gravel wells located in the vicinity of Pinnacle Pond. The water is disinfected and treated to reduce corrosion at the well stations. From there, the water travels to two storage tanks holding over one million gallons, and to nearly 1,200 customers through 30± miles of distribution main and thousands of valves, meters and hydrants. In addition, the system includes an emergency interconnection with Central Hooksett Water Precinct on Route 3.

Maintaining this aging system in working order and in compliance with applicable regulations is no small task. Our team of laborers, office manager, licensed operators and elected water commissioners work very hard to “keep the water flowing.” The system is run as a business enterprise, which means that the Precinct must raise revenues sufficient to pay for all operating and capital expenses associated with producing, treating, storing and distributing the water (including less visible items such as debt service, financial reserves, administration and regulatory compliance). All revenue is expended solely on the water system, and the annual expense budget adopted for operations and capital projects is the result of a transparent public process. The capital (large infrastructure) projects are identified as part of Capital Improvement Program that methodically lays out the long-term needs of the system.

QUARTERLY RATES & CHARGES:

To pay for most of the annual operations budget, the Precinct assesses water service rates and charges on a quarterly basis. The rates and charges are broken down into four basic classes:

Domestic Service Rates – The consumption charge of a domestic (drinking) water bill is based on meter readings and is the most effective way to encourage judicious water use. The consumption rates partially cover variable costs for items directly related to producing water, such as chemicals, equipment, utilities, contracted repairs, etc. The Precinct has adopted rates which can reduce water waste and encourage awareness of the cost to provide safe, clean drinking water. As the water volume usage increases, the unit price or rate also increases (aka “inclining block rate”). Customers that typically use less water (such as the elderly, single family homes w/o irrigation, and small retail shops) have the lowest service rates.

Domestic Service Charges – The fixed charge (or “base rate”) of a domestic water bill is based on the size of the water service. The charge provides some seasonal revenue stability and partially covers fixed costs that are incurred even if we never produce a single drop of water, such as long-term debt, reserve funding, billing and collecting expenses, operator salaries, etc. The larger the service size, the larger the fixed charge. This arrangement is based on the proportional share of cost increasing with the increased needs of larger services. A small additional fixed service charge is added to those accounts with “deduct meters” to cover the increased expenses associated with administering the deduct program.

Sprinkler Service Charges – Customers with fire sprinkler systems incur a fixed charge based on the size of the sprinkler service. The charge provides some seasonal revenue stability and partially covers both fixed and variable costs including the significant costs associated with providing fire-fighting flow capacity and pressure. The larger the service size, the larger the fixed charge – this is based on the proportional share of cost increasing with the increased needs of larger services. Fire sprinkler systems are not metered. Note: These charges do not apply to lawn sprinkler systems, which are managed as Domestic Services.

Hydrant Service Charges – Fire hydrant owners incur a fixed charge per hydrant, also known as a hydrant rental fee. The charge provides some seasonal revenue stability and partially covers both fixed and variable costs including the significant costs associated with providing fire-fighting flow capacity and pressure. Hydrants are not metered. Private hydrant owners pay an additional fixed fee per hydrant for flushing. Companies using public hydrants for bulk (temporary) water consumption are metered and charged for water usage and an additional fixed fee for administering the bulk water program.