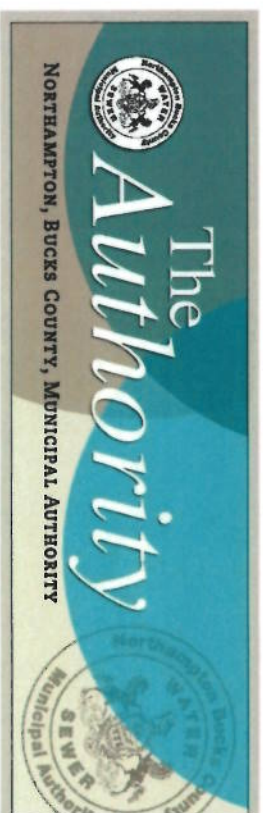


Presentation to the Northampton Township Supervisors

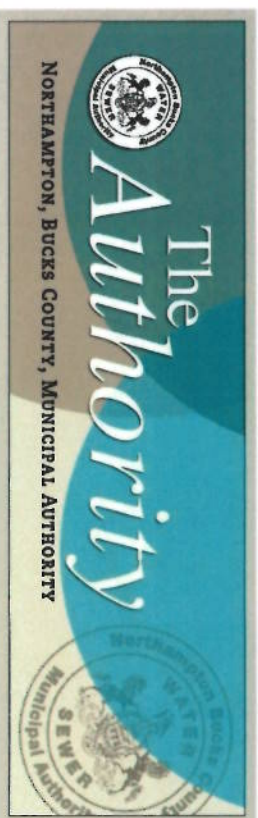
Public Meeting

March 22, 2017

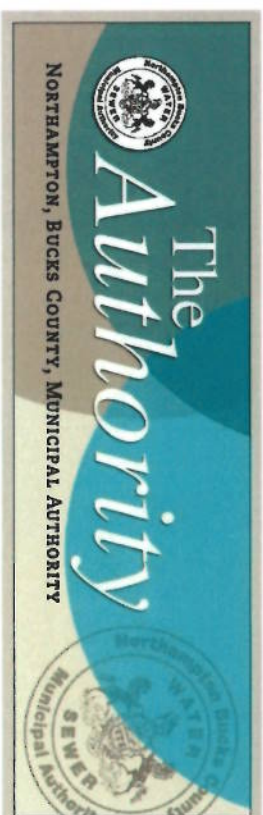
Presentation by: Thomas A. Zeuner Executive Director



- Conversion to Monthly Billing
- Rates to support Operations and Capital Requirements
- 5 Year Strategic Plan
- Professional Services
- Adoption of New Public Water & Sanitary Sewer Rates
- Public Communications



- **Conversion to Monthly Billing vs Qtr. Billing**
 - Requested by ratepayers over many years
 - Typical for Utilities and similar entities
 - » Examples:
 - » PECO, PGW, Comcast, Verizon other Authorities etc...
 - Value to ratepayers
 - » Leak detection 1 month vs. 3 months



- Prior rates for water and sewer services were eroding our financial reserves to support our ongoing capital and operational requirements for many years without rate adjustments
 - 6 years for sanitary sewer
 - 4 years for public water
- Rates were not supporting ongoing operations long term
 - Action Required



5 Year Strategic Plan – adopted by Authority : April 2016

- Compliance with Regulatory Requirements
- Infrastructure Integrity
- Compliance with BOND indenture
- Roadmap to priorities and system improvements
- Sound Financial Planning
- Utilize Best Management Practices (BMP)





5 Year Strategic Plan

- “Successfully” completed
- Adopted by Authority : April 6th 2016
- Provides basis for Rate Study Analysis





- PROFESSIONAL SERVICES

- PROCESSES

- GOALS

- Comprehensive Rate Setting Methodology
- Utilize recognized standards in the rate setting process
- Fair & transparent distribution of costs
- Achieve desired results as outlined in the 5 year Strategic Plan

- Considerations for Rate Setting

- Overview of Rate Setting Process

- Financial Planning / Revenue Analysis

- Cost of Service Analysis

- Rate Design



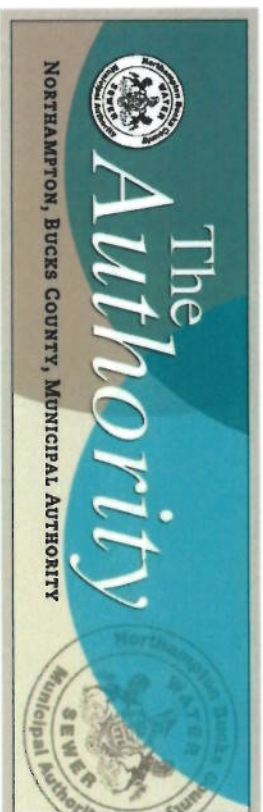
- HRG, Inc. Engaged by Authority April 6th 2016 (public meeting)
- HRG, Inc. Presentation to Authority Board October 5th, 2016 (public meeting)

HRG

Herbert, Rowland & Grubic, Inc.
Engineering & Related Services

AN EMPLOYEE-OWNED COMPANY

- Adopted into Authority 2017 Budget process and approval November 2, 2016 (public meeting) fiscal year (Nov. 1st – Oct. 31st)



- Communications

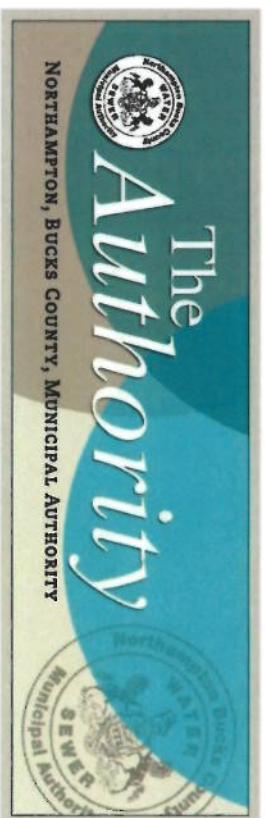
Once the new rate structure was approved by the Authority a *Newsletter (Issue 6)* was sent to each and every customer

Mailing : December 8th, 2016

Revised rates were not effective until February 2017 with billing in March 2017 for services rendered in February

Documents applicable to Rate issue:

- **NBCMA 5 YEAR STRATEGIC PLAN – April 2016**
[http://nbcmatoday.org/uploads/Five%20Year%20Strategic%20Plan%202016%20\(2\).pdf](http://nbcmatoday.org/uploads/Five%20Year%20Strategic%20Plan%202016%20(2).pdf)
- **HRG REPORT (Water and Sanitary Sewer Rate Analysis) - October 2016**
<http://nbcmatoday.org/uploads/2016.10.13-Rate%20Study%20Letter%20Report%20with%20Tables.pdf>
- **NBCMA ADOPTED 2017 BUDGET – November 2016**
<http://nbcmatoday.org/uploads/Budget%20for%20year%20ending%2010-31-17.pdf>
- **NBCMA EXECUTIVE SUMMARY - December 2016**
<http://nbcmatoday.org/uploads/NBCMA%20RATE%20EXECUTIVE%20SUMMARY.pdf>
- **NEWSLETTER – December 2016**
<http://nbcmatoday.org/uploads/16NBCMA017%20NEWSLETTER%20fall-winter%202016%20E.pdf>



Thank you