



## MERRIMACK VILLAGE DISTRICT

### **2019 Rate Increase Information**

Effective July 1, 2019 Merrimack Village District's (MVD) rates will increase by 19%. The increase was determined based upon the rate study completed by Underwood Engineers, Inc. which includes extensive research and data analysis of MVD. The rate study determined an increase of 28% is necessary to meet increased operational budget levels, debt service, and capital reserve goals. The rate study suggested equal increases for Fiscal Year (FY) 2020 and FY 2021: 13% the first year, then another 13% on top of that resulting in a compounded overall increase of 28%. The actual increases implemented are split differently between the two fiscal years to still achieve the overall 28% increase from the current rate.

In addition to the 28% increase above, there will be a 40% increase related the PFAS Treatment Plan of Wells 2, 3, 7, and 8. Part of the PFAS Treatment Plan includes initial treatment of Well 3 for Iron and Manganese to allow the filtration of PFAS to process most efficiently; this portion had already been slated on our Capital Improvement Plan (CIP) for 2023, and it accounts for 9% of the 40% increase indicated for complete treatment of Wells 2, 3, 7 and 8. The remaining 31% increase is related to the PFAS treatment.

The overall 28% increase as of FY 2021 with the 40% increase on top of it results in the total compounded rate increase of 79% as of FY 2022.

The first increase is 19% and begins for FY 2020. This increase was reviewed and approved by the MVD Board of Commissioners for implementation with an effective date of July 1, 2019. The additional increase for FY 2021 will be determined after review and analysis of actual financial results data from FY 2020; it is expected to bring the overall increase within the range of 28%.

It should be noted that the MVD has not had a rate increase since 2011. Previously slated rate increases were deferred while the impact of the PFAS issue was assessed as MVD had sufficient funds to maintain operations at the time. In addition, the rate increases will result in MVD's rate in FY 2022 being lower than the average rate in NH today.

**2 Greens Pond Rd Merrimack, NH**

**Phone: 603-424-9241 Fax: 603-424-0563**

**Website: [www.mvdwater.org](http://www.mvdwater.org) Email: [customerservice@mvdwater.org](mailto:customerservice@mvdwater.org)**