

# Industry Standard Fire Suppression Contribution

- It is common practice that the General Fund (GF) (general taxation) is assessed a Fire Protection Charge because it is generally accepted that Fire Protection is an obligation of general government
- Fire protection benefits the entire Town, not just the water users
- Significant investment in the system for fire protection
- Can range from 5% (large systems) to 40% (small systems) (AWWA)
- UE calculated 31% of Water Budget could be assessed to General Fund (Cost Curve Method)
- UE recommends 15% of Water Budget be assessed to General Fund until the actual cost can be determined (Cost of Service)

# Exeter Rates

## Fire Suppression Contribution

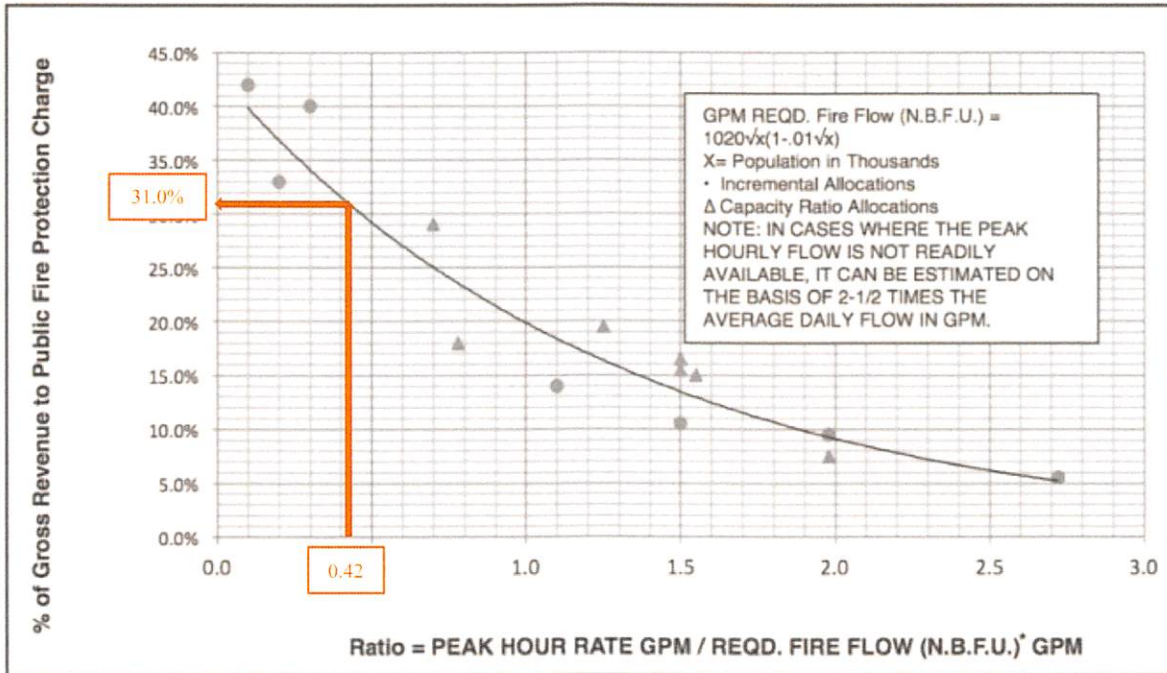
- Increase step-wise until goal is reached starting at \$100,000 increasing \$50,000 per year
- Model assumes GF contribution reaching \$300k by 2028
- Other communities with GF Contribution for Fire Protection
  - Wolfeboro: currently ~18%
  - PWW \$3.2M on taxation

Fire Protection Charge  
August 11, 2023

The population of the Town of Exeter is 15,847, according to the 2021 Census. Using this number, the required fire flow was calculated as approximately 3,900 gpm. Consequently, the ratio of Peak Hour flow and Required Fire Flow is 0.42.

Using the Cost Curve, a ratio of 0.42 is equivalent to 31% of gross revenue attributable to the Fire Protection Charge. See *Figure 2* below.

**Figure 2. Percentage of Revenue Attributable to the Fire Protection Charge (Exeter)**



While the cost curve indicates 31% of the Water Department budget could be assessed to the General Fund (\$1.6M in 2024), UE recommends targeting 15% of the Water Department budget until the cost of service can be computed. Fifteen percent is equal to approximately a \$750k General Fund contribution in 2024 and a \$1.1M contribution in 2028. UE recommends that the General Fund Contribution be increased in steps over the next several years until the 15% target is reached.