October 2, 2017

Smithfield Water Supply Customers:

The Town of Smithfield is dedicated to providing reliable water services in a cost-effective manner while protecting our water resources and the public’s health. The Smithfield Water Supply Board (“SWSB”) strives to keep its costs as low as possible and has resisted any change to its rates for the past seven years. However, some costs, such as the price of purchasing water, are beyond the Town’s control and we have come to recognize that water price increases are necessary to maintain our own infrastructure and operations and maintenance. This rate increase reflects the increase in the cost the SWSB pays to purchase water from our wholesale water supplier, the Providence Water Supply Board. Therefore, the SWSB is proposing a rate adjustment for the Water Utility sufficient to pay for the increased cost of water, our water supply and delivery systems, and to continue to maintain appropriate debt coverage levels necessary for our outstanding bonds and upcoming infrastructure needs.

New Retail Water Rates:

**Tier I.** Water used up to 100,000 gallons shall be $3.52/1,000 gallons.

**Tier II.** Water used in excess of 100,000 gallons up to 1,000,000 gallons shall be $4.18/1,000 gallons.

**Tier III.** Water used in excess of 1,000,000 gallons shall be $4.84/1,000 gallons.

Additionally, the SWSB will be instituting a $0.50/1,000 gallons Infrastructure Replacement Charge (IFR) to help fund the future needs of the District.

A rate study is currently underway to review the long range plans for the District and potential blending of rates to minimize future rate increases.

The SWSB will continue to strive to maintain the highest standards in water quality for our customers as we upgrade our facilities and infrastructure to meet existing and future demand. These rates will go into effect for the December 2017 billing. If you have any questions concerning this notice, please do not hesitate to contact me.

Sincerely,

Randy R. Rossi
Town Manager