

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCE COMMITTEE REPORT

MONDAY, DECEMBER 8, 2014

Present: Ald. Gentile (Chairman), Norton, Brousal-Glaser, Fuller, and Lappin

Absent: Ald. Ciccone, Rice and Blazar

Also present: Ald. Baker and Crossley

City staff present: Nick Read (Purchasing Agent), Alex Valcarce (Program Director; Public Buildings Department), Arthur Cabral (Project and Budget Specialist; Public Buildings Department), Dave Turocy (Commissioner of Public Works), Maureen Lemieux (Chief of Staff/Chief Financial Officer), and David Wilkinson (Comptroller)

#462-14      HIS HONOR THE MAYOR requesting authorization to temporarily increase the Purchasing Department staff by one (1) Full Time Equivalent Position for a period of up to one month. [11/24/14 @ 4:27 PM]

**ACTION:**      **APPROVED 4-0-1 (Norton abstaining)**

**NOTE:**      Chief Procurement Officer Nick Read presented the request to increase the Purchasing Department's staff temporarily by one full-time employee for up to one month. The Purchasing Agent, Paula Hudak, is retiring in early 2015. She handles 6,000 requisitions per year along with a number of other responsibilities. It is likely that the current Procurement Assistant will fill the Purchasing Agent position leaving the Procurement Assistant position vacant. It would be helpful to hire someone before Ms. Hudak's retirement in order to provide that person some training.

The funding for the brief overlap of an additional employee is already within the Department's budget. The new person will start at a lower step generating some of the surplus funds in the budget. There is also funding for the sick time buyout due to the retirement in the department budget, which is not going to be fully depleted. With that, Ald. Brousal-Glaser moved approval, which carried by a vote of four in favor and one abstention. Ald. Norton abstained, as she was not present for the whole discussion.

#463-14      HIS HONOR THE MAYOR requesting authorization to transfer the sum of forty-three thousand eleven dollars and forty-nine cents (\$43,011.49) from various completed Capital Improvement Projects to cover the final costs of the construction and installation of modular classrooms at four elementary schools. [11/24/14 @ 3:43 PM]

**ACTION:**      **APPROVED 5-0**

**NOTE:**      Arthur Cabral of the Public Buildings Department presented the request to transfer \$43,011.49 from various Capital Improvement Plan (CIP) project accounts in order to cover the final cost of the construction and installation of the modular classrooms at four

elementary schools. The contractor for the modular classrooms did not do the best job submitting change order paper work in a timely manner to the City; therefore, change orders remain open for the project. The City would like to be fair to the contractor and pay any outstanding change orders. In addition, this contractor came in approximately \$1 million less than the next lowest bidder for these modular classrooms. The City used the same contractor on the modular at Oak Hill Middle School and the installation of the modular went very smoothly. The City would like to continue its relationship with the contractor. Ald. Fuller moved approval, which carried unanimously.

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#466-14 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of one hundred fifty thousand dollars ((\$150,000) from bonded indebtedness for the purpose of funding HVAC improvements at the Senior Center as outlined in the FY 2015 Capital Improvement Plan. [11/24/14 @ 4:23 PM]

**PUBLIC FACILITIES APPROVED 8-0 on 12/03/14**

**ACTION:** **APPROVED 5-0**

**NOTE:** Public Buildings Program Director Alex Valcarce presented the request for \$150,000 from bonded indebtedness to replace the HVAC rooftop units and associated mechanicals at the Senior Center. The Public Facilities Committee unanimously voted to approve the request at their December 3, 2014 meeting. The new two new units will help to control the temperature and improve air quality within the Senior Center. The project is part of the Fiscal Year 2015 Capital Improvement Plan. Ald. Brousal-Glaser moved approval, which carried unanimously.

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#467-14 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of one hundred fifty thousand dollars ((\$150,000) from bonded indebtedness for the purpose of funding the replacement of the water heater at the F.A. Day Middle School as outlined in the FY 2015 Capital Improvement Plan. [11/24/14 @ 4:23 PM]

**PUBLIC FACILITIES APPROVED 8-0 on 12/03/14**

**ACTION:** **APPROVED 5-0**

**NOTE:** Public Buildings Program Director Alex Valcarce presented the request for \$150,000 from bonded indebtedness to replace the 1970, 300-gallon water heater at the F. A. Day Middle School. The water heater is beyond its useful life and needs to be replaced. The replacement water heater needs to be a large capacity water heater to provide enough hot water for the School's kitchen.

The Public Facilities Committee approved the request on December 3, 2014. The project is outlined in the Fiscal 2015 Capital Improvement Plan. The item will be bonded in January 2015 with a number of other bonded projects. The Administration hopes to see some savings related to the bond sale by doing a bond sale in January. Ald. Fuller moved approval which carried by a unanimous vote of support.

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#469-14 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of one hundred twenty-seven thousand five hundred dollars (\$127,500) from the ~~Energy Conservation Fund~~ **Free Cash** to the Public Buildings Department to replace the emergency electrical generator and transfer switch at Fire Station #1 in Newton Corner. [11/24/14 @ 4:23 PM]

**PUBLIC FACILITIES APPROVED AS AMENDED 8-0 on 12/03/14**

**ACTION: APPROVED AS AMENDED 5-0**

**NOTE:** Public Buildings Program Director Alex Valcarce presented the request for \$127,500 to replace the emergency generator and transfer switch at Fire Station #1 in Newton Corner. The generator and transfer switch are past their useful life. The Public Facilities Committee approved the item as amended in order to change the funding source from the Energy Conservation Fund to Free Cash. The Mayor submitted the attached letter requesting the change in funding source to Free Cash. The item is not being bonded because the Administration is moving towards not bonding projects under \$150,000. Ald. Brousal-Glaser moved approval of the item, which carried unanimously.

**REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES**

#456-14 HIS HONOR THE MAYOR recommending amendments to Chapter 29, Article II. **Water. and Sec. 29-80. Sewer** of the City of Newton Ordinances to allow for second water meters for outside water use and to restructure the water rate fee structure.

**PUBLIC FACILITIES APPROVED AS AMENDED 6-2 (Brousal-Glaser and Laredo opposed)**

**ACTION: APPROVED AS AMENDED 4-1 (Brousal-Glaser opposed)**

**NOTE:** Chief of Staff Maureen Lemieux provided several impact scenarios to the Committee, which are attached. It was made clear that the Aldermen are not setting rates until April of May 2015. The rates contained included in the impact studies are examples to give the Committee and the Board a sense of the impact of second meters. The Public Facilities Committee voted support amending the City's ordinances to allow residential property owners to install second meters for outside water use. The conversation started with allowing all property owners a second meters but along the way the decision was made that people were more comfortable stepping into this slowly because there is clearly a shift of the sewer cost, as the water used outside would no longer be charged the sewer charge. The City has to take in the same amount of revenue in the Enterprise Budget no matter what it does. If the City allows for second meters the water budget is not the problem, it is the sewer. By allowing second meters, the City will forego some of its sewer revenue. Therefore, the City must make up that loss through the rates. Only allowing residential properties to install second meters, minimizes the financial impact to properties without second meters.

The first impact study provides the current water and sewer rates, the new rates and several examples of the estimated impact to both residential and non-residential accounts if the second meters are only allowed for residential property owners. The impact studies are all based

on today's water and sewer rates. The Committee focused on the residential only impact study. The current water and sewer rates have a three-tiered rate structure that is based on the number of Hundred Cubic Feet (HCF) that a property uses. The proposed rate structure includes a five-tiered water rate structure and a four-tiered sewer rate structure. Both the proposed water and sewer rate structure include the addition of a micro-tier for HCFs between 0 and 10 to protect the people who only use a small amount of water. Every water sewer user will receive the micro tier rate for their first 0-10 HCFs of water. The water rate structure also includes a tier for water that flows through the outside meter. The impact studies assume that the outside water tier would be set at the highest rate. If all residents that would benefit from a second meter installed one, the Administration would expect that it would lose close to 10% of the sewer revenue. The City would have to shift the sewer rates to recapture the loss. The City currently bills out a little over 3 million HCFs in water. The residential impact study assumes that the City loses approximately 340,000 HCFs, which results in an increase of sewer rates in the impact study.

The median water usage for properties in the City is approximately 80 HCFs per year. The impact studies use 90 HCFs as an assumption. If a residential property owner uses 40 or more of HCFs of outside water in a six-month period, they are probably a good candidate to install and get a benefit from a second meter.

Ald. Baker provided the 1999 draft ordinance language (attached) from the previous discussion on second water meters. There is language that addresses illegal cross connections to the outside meter. He feels that the language should be included in the new draft ordinance language. Ald. Baker also provided an ethics opinion from the State (attached) and a memo from the Department of Public Works dated June 6, 1999 (attached) related to the portion of the City's sewer charges that are directly attributable to the water registered on a property owner's meter and the amount of sewer charges that are related to the community as a whole. Ald. Baker would like to see the proportioned cost of the sewer costs associated with the community as a whole added to the outside water use rate. The Chairman responded that by making the proposed tier for outdoor water higher than all the other water tiers, it addresses a portion of the fixed costs for sewer.

Ms. Lemieux also reviewed the impact if the City allowed all properties to install a second meter. The third impact study took into consideration that \$6.5 million of the MWRA sewer assessment is related to inflow and infiltration. It assesses an additional inflow and infiltration charge of \$2.00 per HCF for any property with second meter, which decreases the benefit of a second meter for outdoor water use.

The administration will continue to look at the water and sewer rates for next year. In order to begin determining the appropriate water and sewer rates for 2016 if residential outside water meters are approved. A change of pennies in the lower rates would have a large impact on all rates. The City will need to know how many residential properties intend to install a second water meter by July 1, 2015 in order to determine how much impact there will be to the sewer rates.

The City intends to require property owners to inform the City by April 1, 2015 that they are installing a second meter by July 1, 2015. It was made clear that even if the second meter is installed before July 1, 2015, there will be no benefit in terms of their water and sewer rates until July 1, 2015. If a property owner misses the April 1, 2015 date, they will not see any savings until the second quarter of the fiscal year.

The Chair pointed out that only allowing residential property owners to get a second meter for outdoor water use; the City would be better able to understand the impact of second meters. After more data is available then the City can make adjustments like allowing non-residential properties to install second meters. The Committee supported adding the language that addresses illegal cross connections to the draft ordinance language.

Ald. Lappin moved approval of the item as amended to include the language related to illegal cross connections, which carried by a vote of four in favor and one opposed. Ald. Brousal-Glaser does not support the proposed ordinance changes.

The Committee adjourned at 8:10 PM and all other items before the Committee were held without discussion. Draft Board Orders for the above items that are recommended for Board of Aldermen action are attached.

Respectfully submitted,

Leonard J. Gentile, Chairman



SETTI D. WARREN  
MAYOR

City of Newton, Massachusetts  
Office of the Mayor

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December 5, 2014

Honorable Board of Aldermen  
Newton City Hall  
1000 Commonwealth Avenue  
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to amend Docket #469-14 *HIS HONOR THE MAYOR* requesting authorization to appropriate the sum of one hundred twenty-seven thousand five hundred dollars (\$127,500) from the Energy Conservation Fund to the Public Buildings Department to replace the emergency electrical generator and transfer switch at Fire Station #1 in Newton Corner. [11/24/14 @ 4:23 PM], by replacing the funding source with June 30, 2014 Certified Free Cash.

Thank you for your consideration of this matter.

Very truly yours,

Setti D. Warren  
Mayor

RECEIVED  
Newton City Hall  
2014 DEC -8 AM 9:11  
David A. Olson, Clerk  
Newton, MA 02459



City of Newton, Massachusetts		12/8/2014	
Estimated Impact of		rds	
Second Meters - RESIDENTIAL ONLY			
		←-----WATER-----→	
Current Tiers		0-20	20-70 70+
Current Rates	\$	5.84	\$ 7.00 \$ 8.41
Total HCFS		1,889,272	595,878 604,566
		←-----SEWER-----→	
New Tiers		0-10	10-25 26-60 61+
Total HCFS		1,240,328	779,066 208,152 518,002
New Rates	\$	5.75	\$ 6.75 \$ 7.75 \$ 8.50 \$ 10.00
Revenue	\$	7,131,886	\$ 5,258,696 \$ 1,613,178 \$ 4,403,017 \$ 3,441,680
		←-----WATER-----→	
FY 15 Revised Budget	\$	21,836,377	
FY 15 Current Budget	\$	21,829,338	
		←-----SEWER-----→	
FY 15 Revised Budget	\$	31,042,315	
FY 15 Current Budget	\$	30,935,415	
Total Consumption		3,089,716	2,745,548

City of Newton, Massachusetts  
 Estimated Impact of  
 8-Dec-14  
 rds

Second Meters-RESIDENTIAL ONLY -Without Stormwater Changes

	<u>Net Change to Water</u>	<u>Net Change to Sewer</u>	<u>Old Bill</u>	<u>New Bill</u>	<u>Net Change to Total Bill</u>	<u>Variance</u>
BOSTON COLLEGE	\$ (17,490)	\$ 142,678	\$ 2,392,679	\$ 2,517,868	\$ 125,188	5.23%
CITY OF NEWTON	\$ (1,060)	\$ 144,611	\$ 690,677	\$ 834,228	\$ 143,551	20.78%
NEWTON WELLESLEY HOSPITAL	\$ (5,315)	\$ 40,477	\$ 713,415	\$ 748,577	\$ 35,162	4.93%
22 Hcf User (No Irrigation)	\$ (6)	\$ 13	\$ 353	\$ 359	\$ 7	1.92%
50 Hcf (No Irrigation)	\$ (3)	\$ 53	\$ 768	\$ 818	\$ 50	6.49%
90 Hcf (No Irrigation)	\$ (1)	\$ 128	\$ 1,431	\$ 1,558	\$ 127	8.88%
90 Hcf (Irrigation- 20 Hcf)	\$ 8	\$ (93)	\$ 1,408	\$ 1,323	\$ (85)	-6.01%
125 Hcf (Without Irrigation)	\$ 18	\$ 226	\$ 2,031	\$ 2,274	\$ 244	12.00%
125 Hcf (Irrigation-57 Hcf)	\$ 176	\$ (492)	\$ 2,037	\$ 1,721	\$ (316)	-15.52%
175 Hcf (Without Irrigation)	\$ 52	\$ 378	\$ 2,907	\$ 3,337	\$ 430	14.80%
175 (Irrigation-87Hcfs)	\$ 251	\$ (788)	\$ 2,928	\$ 2,391	\$ (537)	-18.33%

User Break Out	# of Accounts	Cumulative
1-22	1298	1298
23-50	4766	6064
51-90	8742	14806
91-125	4662	19468
126-175	2950	22418
176+	2478	24896



City of Newton, Massachusetts		12/8/2014	
Estimated Impact of		rds	
Second Meters -Commercial and Residential			
		←-----SEWER-----→	
Current Tiers		0-20	20-70 70+
Current Rates	\$	8.60 \$	10.33 \$ 12.40
Total HCFS		1,889,272	595,878 604,566
		←-----SEWER-----→	
New Tiers		0-10	10-25 26-60 61+
Total HCFS		1,229,766	831,438 279,014 407,412
New Rates	\$	9.47 \$	11.73 \$ 13.60 \$ 14.10
Revenue	\$	11,645,884 \$	9,752,768 \$ 3,794,590 \$ 5,744,509
FY 15 Revised Budget	\$		
FY 15 Current Budget	\$		
Total Consumption			2,747,630
		←-----WATER-----→	
Current Tiers		0-20	20-70 70+
Current Rates	\$	5.84 \$	7.00 \$ 8.41
Total HCFS		1,889,272	595,878 604,566
		←-----WATER-----→	
New Tiers		0-10	10-25 26-60 61+ Irrigation
Total HCFS		1,229,766	831,438 1,790,14 3,074,12 5,420,86
New Rates	\$	5.64 \$	6.70 \$ 7.60 \$ 8.40 \$ 9.93
Revenue	\$	6,935,880 \$	5,570,635 \$ 1,360,506 \$ 2,582,261 \$ 5,382,914
FY 15 Revised Budget	\$	21,832,196	
FY 15 Current Budget	\$	21,829,338	
Total Consumption			3,089,716

8-Dec-14  
jdc

City of Newton, Massachusetts  
Estimated Impact of

Second Meters - Commercial and Residential

	Net Change to Water	Net Change to Sewer	Old Bill	New Bill	Net Change to Total Bill	Variance
BOSTON COLLEGE	\$ 27,295	\$ (330,260)	\$ 2,392,679	\$ 2,089,714	\$ (302,965)	-12.66%
NEWTON WELLESLEY HOSPITAL	\$ 4,243	\$ (75,284)	\$ 713,415	\$ 642,375	\$ (71,040)	-9.96%
22 Hcf User (No Irrigation)	\$ (8)	\$ 13	\$ 353	\$ 357	\$ 5	1.36%
50 Hcf (No Irrigation)	\$ (8)	\$ 53	\$ 768	\$ 814	\$ 46	5.93%
90 Hcf (No Irrigation)	\$ (8)	\$ 128	\$ 1,431	\$ 1,551	\$ 120	8.38%
90 Hcf (Irrigation- 20 Hcf)	\$ 2	\$ (94)	\$ 1,408	\$ 1,316	\$ (91)	-6.48%
125 Hcf (Without Irrigation)	\$ 7	\$ 228	\$ 2,031	\$ 2,265	\$ 235	11.56%
125 Hcf (Irrigation-57 Hcf)	\$ 166	\$ (492)	\$ 2,037	\$ 1,711	\$ (326)	-15.99%
175 Hcf (Without Irrigation)	\$ 33	\$ 386	\$ 2,907	\$ 3,325	\$ 419	14.40%
175 (Irrigation-87Hcfs)	\$ 248	\$ (788)	\$ 2,928	\$ 2,388	\$ (540)	-18.44%

User Break Out	# of Accounts	Cumulative
1-22	1298	1298
23-50	4766	6064
51-90	8742	14806
91-125	4662	19468
126-175	2950	22418
176+	2478	24896

City of Newton, Massachusetts  
 Estimated Impact of  
 Residential Second Meters charged I&I Impact Fee

12/8/2014  
 rds

		←-----WATER-----→				←-----SEWER-----→			
		0-20	20-70	70+		0-20	20-70	70+	
Current Tiers									
Current Rates	\$	5.84	\$ 7.00	\$ 8.41		8.60	\$ 10.33	\$ 12.40	Fixed Charge
Total HCFS		1,889,272	595,878	604,566		1,889,272	595,878	604,566	
		0-10	10-25	26-60	61+	0-10	10-25	26-60	61+
New Tiers					Irrigation				
Total HCFS		1240328	779066	208152	518002	1,240,328	779,066	208,152	518,002
New Rates	\$	5.75	\$ 6.75	\$ 7.75	\$ 8.50	\$ 9.25	\$ 11.50	\$ 13.55	\$ 13.50
Revenue	\$	7,131,886	\$ 5,258,696	\$ 1,613,178	\$ 4,403,017	\$ 8,959,259	\$ 2,820,460	\$ 6,993,027	\$ 688,336
FY 15 Revised Budget	\$	21,848,457				\$ 30,934,116			
FY 15 Current Budget	\$	21,829,338				\$ 30,935,415			
Total Consumption		3,089,716				3,089,716			

8-Dec-14  
rds

City of Newton, Massachusetts  
Estimated Impact of

2nd Meters Charged I&I Impact Fee

	<u>Net Change to Water</u>	<u>Net Change to Sewer</u>	<u>Old Bill</u>	<u>New Bill</u>	<u>Net Change to Total Bill</u>	<u>Variance</u>
BOSTON COLLEGE	\$ (17,490)	\$ 89,868	\$ 2,392,679	\$ 2,465,058	\$ 72,378	3.02%
NEWTON WELLESLEY HOSPITAL	\$ (5,315)	\$ 24,484	\$ 713,415	\$ 732,584	\$ 19,169	2.69%
22 Hcf User (No Irrigation)	\$ (6)	\$ 8	\$ 353	\$ 355	\$ 2	0.67%
50 Hcf (No Irrigation)	\$ (3)	\$ 42	\$ 768	\$ 808	\$ 39	5.13%
90 Hcf (No Irrigation)	\$ (1)	\$ 108	\$ 1,431	\$ 1,538	\$ 107	7.45%
90 Hcf (Irrigation- 20 Hcf)	\$ 8	\$ (108)	\$ 1,408	\$ 1,308	\$ (100)	-7.11%
125 Hcf (Without Irrigation)	\$ 18	\$ 204	\$ 2,031	\$ 2,253	\$ 222	10.93%
125 Hcf (Irrigation-57 Hcf)	\$ 176	\$ (393)	\$ 2,037	\$ 1,820	\$ (217)	-10.66%
175 Hcf (Without Irrigation)	\$ 52	\$ 359	\$ 2,907	\$ 3,318	\$ 411	14.13%
175 (Irrigation-87Hcfs)	\$ 251	\$ (634)	\$ 2,928	\$ 2,545	\$ (383)	-13.07%

User Break Out	# of Accounts	Cumulative
1-22	1298	1298
23-50	4766	6064
51-90	8742	14806
91-125	4662	19468
126-175	2950	22418
176+	2478	24896



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## State Ethics Commission

Home > Opinions & Rulings > Advisory Opinions > Nepotism > Municipal Employees (Section 19) > EC-COI-93-20

### EC-COI-93-20

September 14, 1993

#### FACTS:

You are an appointed sewer commissioner in a town (Town). Sewer commissioners have been designated special municipal employees.

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You are also the president and principal owner of ABC Plumbing & Heating (ABC). In your individual capacity, you have previously developed several multi-unit residential projects. Presently, you own several undeveloped acres of land in the Town on which you expect to erect residential units in the future.

The sewer commission (Commission) is currently reviewing proposed sewer and water regulation revisions that were drafted by their former executive director. These regulations will govern the construction of all new sewer and water pipes, and the repair of all existing pipes within the Town.

You anticipate that the Commission will soon consider whether polyvinyl chloride (PVC) pipe or copper pipe must be used for water connections. You state that PVC pipe is considerably less expensive for a developer to use than copper pipe. Additionally, you indicate that if the Commission allows the use of PVC pipe, it could require that it be laid in a bed of sand rather than in the existing soil, thereby creating added expense for the developer.

#### QUESTION:

Does G.L. c. 268A permit you to participate as a Commissioner in a decision to adopt these water and sewer regulations?

#### ANSWER:

No, unless your appointing authority gives you an exemption under G.L. c. 268A, s. 19(b)(1).

#### DISCUSSION:

In your position as a sewer commissioner, you are a municipal employee for the purposes of the conflict of interest law [1]. As a result, you are subject to the restrictions set forth in s. 19, which provides that a municipal employee (including a special municipal employee) may not participate [2] as such in any particular matter [3] in which to his knowledge he or his immediate family has a financial interest.

In *Graham v. McGrail*, 370 Mass. 133, 139 (1976), the term "financial interest" was interpreted to mean an economic interest that is not shared with a substantial segment of the public. While the Court in *Graham* held that the financial interest

implicated by s. 19(a) is to be distinguished from the interest every member of the Town would have in a particular act or expenditure of the Town [4], the Court also made it clear that an individual's interest in his own compensation "is unquestionably a 'financial interest'" under s. 19(a). That financial interest may be of any size, and may either be positive or negative. See, e.g., *EC-COI-89-33*; *89-19*; *84-96*. If the municipal employee's direct or reasonably foreseeable financial interest will be affected, the municipal employee must abstain from the matter in question. See, e.g., *EC-COI-89-19*; see also *Graham v. McGrail*, 370 Mass. at 137-138. The question then is whether you have a direct or reasonably foreseeable financial interest in the proposed revisions to the Town's water and sewer regulations.

As a real estate developer whose project would be subject to the regulations, you have an obvious financial interest in the Commission's decision whether or not to require the more costly copper pipe or the more costly method of PVC pipe installation. See, e.g., *EC-COI-84-76* (city council member has obvious financial interest in decisions of council with regard to land he proposes to develop); *EC-COI-87-31* (where Board issued permits and licenses concerning the operation of restaurants, Board member has financial interest in Board determinations regarding his restaurant). Thus, s. 19 would prohibit your participation in the decision whether or not to promulgate these regulations, unless that decision either is not a "particular matter" or is exempt under s. 19(b)(3) because the decision involves "a determination of general policy," and your financial interest is "shared with a substantial segment of the [Town's] population [5]." See *EC-COI-92-34*.

The Commission has long recognized that while "regulations in and of themselves are not particular matters . . . the process by which they are adopted and the determination that was initially made as to their validity will be considered particular matters." *EC-COI-81-34*; see also *85-11*; *87-34*. Therefore, s. 19 would require your abstention unless we were to conclude that your financial interest in the decision is shared with a substantial segment of the Town's population [6].

In determining whether your financial interest in the promulgation of the proposed regulations is shared by a substantial segment of the Town's population, we look to our most recent application of this statutory language in *EC-COI-92-34*. There we considered whether a Selectman and commercial property owner could participate in a decision to adopt a residential factor that would have the effect of applying a higher tax rate to commercial property than to residential property. In analyzing that question, we first looked to whether the general policy at issue suggested a

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classification for the segment of the Town's population we were to examine. We concluded, in that case, that the classification was established by the regulation itself – whether the Town resident was a commercial, as opposed to a residential, property owner.

We then sought to determine what percentage of the Town's population fit within the classification and found that 10% of the Town's population were commercial property owners. Noting that the "relevant classification must be one of kind rather than degree," however, we did not seek to determine whether there was a difference among commercial property owners in the degree to which they were financially impacted by the polic [7].

Applying a like analysis in this case, we believe that although the regulations do not establish the relevant classification, the facts you present suggest what that classification consists of, namely, construction businesses – real estate developers, contractors, plumbers, and the like –

which will be affected on a regular basis by the regulations. By contrast, homeowners, and businesses unrelated to construction, would be affected only in the rare instance where they install or repair new or existing pipes. Moreover, some homeowners and businesses will never be affected by the regulations.

As in *EC-COI-92-34*, we do not endeavor to determine among construction businesses the difference, if any, in the degree to which the regulations will affect their financial interest. Instead our focus is next directed to determining whether people who own these businesses constitute a substantial segment of the Town's population. Here, we think it safe to assume these business owners represent but a small percentage of the Town's total population [8]. Because of this, and because such business owners' ability to earn their livelihood is directly affected by construction costs, we must conclude that, as a real estate developer, your financial interest in the adoption of regulations affecting those costs is not shared by a substantial segment of the Town's population. See, e.g., *EC-COI-83-47* (selectman and commercial shellfisherman may not participate in particular matters concerning the shellfishing industry where his shellfishing license was one of only 200 issued by the Town, and because of the "significance to [his] livelihood"); see also 84-96 (owner of land abutting proposed development would, by virtue of the location of his property, have a financial interest that was distinct from other citizens).

Since we conclude that your financial interest is not shared by a substantial segment of the Town's population, the only exemption from s. 19 that is available to you is that contained in s. 19(b)(1). To qualify for this exemption, prior to participating, you must (1) inform your appointing official of the nature and circumstances of the particular matter; (2) make a full written disclosure to your appointing authority of the financial interest; and (3) receive a written determination in advance from your appointing authority that the financial interest is not so substantial as to be deemed likely to affect the integrity of your services to the Town. Unless and until you receive this exemption, you must abstain from any participation in the promulgation of water and sewer regulations for the Town [9].

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[1] "Municipal employee," a person performing services for or holding an office, position, employment or membership in a municipal agency, whether by election, appointment, contract of hire or engagement, whether serving with or without compensation, on a full, regular, part-time, intermittent, or consultant basis, but excluding (1) elected members of a town meeting and (2) members of a charter commission established under Article LXXXIX of the Amendments to the Constitution. G.L. c. 268A, s. 1(g).

[2] "Participate," participate in agency action or in a particular matter personally and substantially as a state, county or municipal employee, through approval, disapproval, decision, recommendation, the rendering of advice, investigation or otherwise. G.L. c. 268A, s. 1(j).

[3] "Particular matter," any judicial or other proceeding, application, submission, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, decision, determination, finding, but excluding enactment of general legislation by the general court and petitions of cities, towns, counties and districts for special laws related to their governmental organizations, powers, duties, finances and property. G.L. c. 268A, s. 1(k).

[4] Examples cited by the Court are every taxpayer's interest in the school budget for his town, every town employee's interest in every town expenditure, and the interest of school children and their parents in school services.

[5] Section 19(b)(3) provides an exemption, "if the particular matter involves a determination of general policy and the interest of the municipal employee or members of his immediate family is shared with a substantial segment of the population of the municipality."

[6] In *EC-COI-92-34*, we noted that certain matters of general policy may not be particular matters for purposes of G.L. c. 268A. That precedent is wholly consistent with

-540-

our ruling in *EC-COI-81-34* that regulations themselves are not particular matters. Nothing in *EC-COI-92-34*, however, persuades us that we must now depart from our longstanding precedent that the process leading to the adoption of general policy contained in a regulation is a particular matter.

[7] In *EC-COI-92-34*, our concern was that while the residential factor affected all commercial property owners, the opinion requester owned a significantly higher percentage of the Town's commercial property. Therefore, the degree to which the residential factor affected the requester's interest was greater than the remainder of the class of commercial property owners.

[8] In *92-34*, we held that 10% of a town's population would constitute a "substantial segment." The Town's population, according to the 1990 census, is 33,836. G.L. c. 4, s. 7(41) ("population" as used in the General Laws, means the number of residents counted in the most recent census). Were we to apply a 10% standard here, we would have to be presented with evidence that the Town has 3,383 or more owners of construction-related businesses in order for us to conclude that the regulations affecting such business owners as a class affect a substantial segment of the Town's population.

[9] Should you obtain an exemption under s. 19(b)(1), you are advised that you must continue to guide your conduct in accordance with the principles of s. 23. Specifically, Section 23(b)(2) prohibits a public official from using his position to secure an unwarranted privilege of substantial value which is not properly available to similarly situated individuals. Thus, s. 23(b)(2) requires that you apply objective standards in any decision concerning the proposed regulations, without regard to your personal interest in the matter. See *EC-COI-89-23; 89-3*.

End Of Decision



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CITY CLERK  
NEWTON, MA. 02159

**PROPOSED ORDINANCE AMENDMENTS  
RE. LAWN AND GARDEN IRRIGATION METERS**

1. Add new section 29-1, *Definitions*, as follows:

**Sec. 29-1, Definitions.**

For the purposes of this chapter, the words and phrases used herein shall have the following meanings except in those instances where the context clearly indicates a different meaning:

Domestic-water meter: A water meter used to measure water usage, except that a lawn and garden irrigation meter shall not constitute a domestic water meter.

Lawn and garden irrigation meter: A water meter used to measure water which is used outdoors in such a way as to not enter public sewers pursuant to the provisions of section 29-41.

2. Amend section 29-36, *Rates, Schedule* as follows:

- A. Amend subsection 29-36(a) and insert new subsection (b) as follows:

(a) For water supplied through a domestic water meter, water takers shall pay a price or rate for water for each quarterly billing period in accordance with the following schedule:

one dollar and eighty-five cents (\$1.85) per hundred cubic feet for consumption from 0 to 20 hundred cubic feet;

two dollars and twenty-two cents (\$2.22) per hundred cubic feet for consumption from 21 to 70 hundred cubic feet;

two dollars and sixty-six cents (\$2.66) per hundred cubic feet for consumption above 70 hundred cubic feet;

provided however, that where water is supplied by the city through such a water meter that is not in good working order, the commissioner shall use any reasonable, fair, and appropriate method to determine the quantity of water consumed and shall issue the bill on that basis.

(b) For water supplied through a lawn and garden irrigation meter, water takers shall pay a price or rate of two dollars and sixty-six cents (\$2.66) per hundred cubic feet for each quarterly billing period, provided however, that where water is supplied by the city through

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draft 3-12-99

such a water meter that is not in good working order, the commissioner shall use any reasonable, fair, and appropriate method to determine the quantity of water consumed and shall issue the bill on that basis.

B. Re-number subsection 29-36(b) as 29-36(c) and amend the provisions of that subsection as follows:

inserting a new clause immediately before the final sentence of sub-subsection (1), (which sentence starts "In the event that a person...."), as follows:

Said discount shall not apply to water supplied through a Lawn and Garden Irrigation Meter under section 29-41.

Amend section 29-80, *Sewer use charge*, as follows:

A. Amend subsection (b) and add new subsections (c) and (d) as follows:

(b) Such sewer use bills shall be issued on a quarterly basis. Each sewer use bill shall be based on the applicable water meter reading, or estimated reading of the applicable water meter(s), for the same estate, for the same quarterly billing period.

(c) The rates or prices for the sewer use charge shall be as follows:

(1) For sewer use based upon water used through a domestic water meter:

three dollars and ninety cents (\$3.90) per hundred cubic feet for consumption from 0 to 20 hundred cubic feet;

four dollars and sixty-eight cents (\$4.68) per hundred cubic feet for consumption from 21 to 70 hundred cubic feet;

five dollars and sixty-three cents (\$5.63) per hundred cubic feet for consumption above 70 hundred cubic feet.

(2) For sewer use based upon water used through a lawn and garden irrigation meter, the rate shall be calculated at seventy four percent (74%) of the rates set forth in section 29-80(c)(1) so long as all water so supplied is used only for the restricted uses permitted under section 29-41. In the event that the commissioner of public works determines that water supplied through such a meter has been discharged, either directly or indirectly, into the public sewers, the commissioner shall employ a reasonable, fair, and appropriate method to determine the quantity of water used therefor and shall issue a sewer use bill based on the rates set forth in section 29-80(c)(1).

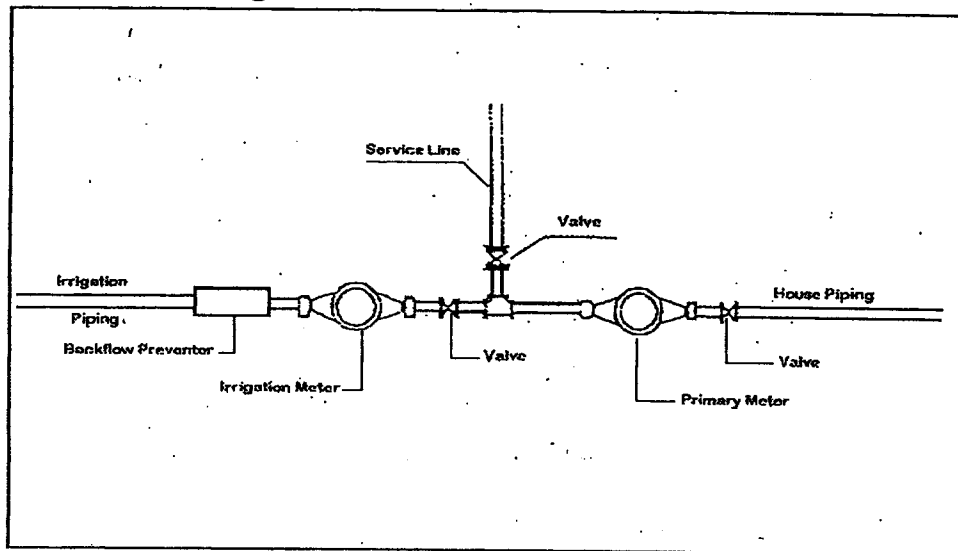
(3) Where water is supplied by the city through a water meter that is not in good working order, the commissioner shall use any reasonable, fair, and appropriate method to determine the quantity of water consumed and shall issue the sewer use bill on that basis.

B. Re-number the remaining subsections of section 29-80 accordingly ("c" becomes "e" and so on)

4. Add new provision, section 29-41, *Lawn and Garden Irrigation System Meters*, as follows:

**Section 29-41, Lawn and Garden Irrigation Meters**

(a) Upon request by the owner of an estate, the commissioner of public works shall authorize the attachment of a Lawn and Garden Irrigation meter to a service water pipe and supply water for lawn and garden irrigation and other outdoor uses in accordance with this section. The owner shall pay all purchase and installation costs for such meter including related materials, backflow prevention device(s), and where necessary, the costs of relocating the primary meter and modifying the interior plumbing. Such meters shall be installed in accordance with city specifications. Such a meter may be installed by city forces or by a private plumber subject to the supervision and inspection by the commissioner of public works. Such a meter may be installed either in a subsurface meter pit or within the water taker's building. Whenever the meter is installed within the building on the same service pipe that is used for the regular domestic water supply, the configuration of the meters shall be as shown in the following sketch.



Note: Sketch is intended to illustrate location of meters relative to service pipe. Sketch is not intended to control location of valves.

(b) No person shall:

(1) use water supplied through a Lawn and Garden Irrigation meter for any use except lawn and garden irrigation and other outdoor uses in which water is used in such a way as to not enter public sewers, either directly or indirectly;

or

(2) install or arrange plumbing in a manner which causes the water supplied through such a meter to be connected to any fixture which is connected, either directly or indirectly, to the public sewers.

(c) Whoever violates any provision of this section shall be liable for the penalty set out in section 1-6. In addition, upon the determination by the commissioner of public works of a second violation of subsection (b), the privilege of being charged a discounted sewer use fee in connection with water usage through a Lawn and Garden irrigation meter pursuant to section 29-80(c)(2) shall be considered forfeited for so long as such estate remains in the same ownership. In such event, the commissioner shall make arrangements to include a sewer use charge based upon the rates set forth in section 29-80(c)(1) on the subsequent bills for water supplied through the Lawn and Garden irrigation meter(s) at such estate, and shall so notify the owner of the estate.

(g) The commissioner of public works may adopt and enforce regulations regarding the configuration of plumbing and other aspects of the use of Lawn and Garden Irrigation meters in order to assure that water so provided is used only for the restricted use permitted under this section.

Amend the provisions of existing section 29-23, *Duty of commissioner of public works to attach meters*, by inserting a new clause at the beginning of such section, as follows:


Except as provided in section 29-41, .....

Amend the provisions of existing section 29-24, *Cost of, and responsibilities for, meters*, by inserting the phrase, "Except for Lawn and Garden Irrigation meters" at the beginning of subsection (a).

Amend the provisions of existing section 29-40, *Fee for turning water on or off generally*, by deleting the words "twenty-five dollars (\$25.00)" and inserting in their place "fifty dollars (\$50.00).

June 4, 1999

# Memorandum

**To:** Michael Lipof, Sr.  
**CC:** Board of Alderman  
 James L. Hickey, Commissioner  
**From:** Jay J. Fink, P.E.   
**Date:** 06/04/99  
**Re:** Irrigation Meters

When the discussions of irrigation meters began, Mr. Michael Kuklinski prepared a response to questions raised by Alderman Baker. Charts were presented illustrating how the sewer assessment by the MWRA is calculated which accounts for approximately 80 % of the sewer revenue requirements. Mr. Kuklinski has provided an update as of June 4, 1999 that is attached as a reference.

As stated, the portion of the sewer charge that is directly attributable to the water registered on a customers' meter is only 25 %. The other 75% of the charge is related to the community at large (i.e. infiltration, inflow, and population figures). The City has historically passed these combined charges to ratepayers allocated solely on consumption of water utilized. Like other utilities, There is the perception that the actual commodity used, in this case the amount of sewerage that flows into the pipe, should be the basis for a customer charge. This does not apply when it comes to sewer charges in Newton. Therefore, how does the City reasonably and equitably assess or charge for sewer those customers that use large amounts of water on irrigation that does not flow into a sewer pipe? The other side of the equation is the impact on all ratepayers due to the shift in sewer charges.

Three proposals are currently being considered: 1) a proposal to equate the sewer charge on separate irrigation meters to the flow component of the MWRA assessment; 2) a proposal to eliminate a sewerage charge on irrigation meters completely; and 3) a proposal to adapt a similar methodology to that being utilized in Fort Worth, Texas.

I had a conversation with Lee Bradley, the Director, and Andrew McCartney, Senior Utility Rate Analyst, in Fort Worth, Texas regarding the wastewater rate methodology. The City of Fort Worth owns and operates the wastewater treatment plant. It typically treats 120 million gallons a day of sewerage from Fort Worth and 23 contributing communities. The sewer rate charge has been in effect since about

June 4, 1999

1994. Prior to that, the City did permit and has irrigation meters at residential homes. The City formed a Citizens Advisory Committee approximately five years ago to review the rates charged for each customer class to promote equity. The implementation of the residential wastewater rate was a result of the committee. An average of sewer use is developed from one's readings for December, January, and February. Commencing in March, that calculated charge appears on the bills through the next February. There is a provision for a maximum of 1500 cubic feet per month for a residential customer. This was implemented because about four years ago, Texas had an extremely dry winter which prompted outdoor watering. Unlike Newton, the ratio of water charge to sewer charge is approximately 1:1. It was also noted that apartment buildings were not considered "residential". The vacation season where people typically travel is July and August. Mr. Bradley indicated that with the vacationing by most people in the Northeast in the winter, if Newton were to implement such a method, it might want to consider a minimum.

If the City were to adopt this methodology, I would suggest that instead of calculating a sewer charge based on the average consumption of a three month period, use a six month period. Residents typically irrigate between mid May through August. The City currently reads residential meters on a rolling quarterly basis. Therefore, the six months would fluctuate from September to February, October to March, and November to April. This may minimize the impact of vacationing residents over the winter months. A minimum charge may also need to be established to account for residents that vacation over an extended period in the winter.

The Department is currently upgrading the utility billing software. There have been problems with the conversion to the new system, but it is expected to be up and running shortly. The Information Technology Department should run any revision to the rate schedule by the vendor providing the software for review.

### Impact of Second Water Meters for Outdoor Watering on MWRA Wholesale Sewer Charges

The purpose of this paper is to illustrate that a community's annual MWRA wholesale sewer charge is unaffected by whether a community has a second meter policy or not.

MWRA's wholesale sewer rate methodology is a proportional user charge system based primarily on community's annual metered wastewater flow (comprised of sanitary flow, infiltration and inflow), average strength of the wastewater (Total Suspended Solids - TSS and Biochemical Oxygen Demand - BOD), maximum month flow, and census and sewer population. Newton's FY99 sewer charge assessment is \$13.5 million. Approximately \$9.4 million or 70% of Newton's charge is flow and strength related. The remaining \$4 million or 30% is non-flow related and is based on Newton's proportional share of census and sewer population.

### Allocation of MWRA Operation and Maintenance (O&M) Costs

MWRA's charges for operations and maintenance (O&M) are 100% flow based. As shown in Attachment A, Newton's FY99 O&M charge is \$7.5 million which is comprised of wastewater volume and average strength charges for TSS and BOD. It should be noted that out of Newton's CY97 total metered wastewater flow of 18.58 mgd, approximately 12 mgd or 65% is attributable to I/I (infiltration and inflow). The remaining flow of 6.6 mgd or 35% is sanitary contributions from individual homes, businesses, and commercial/industrial/institutional users in the City. About \$4.8 million of Newton's FY99 O&M charge of \$7.5 is the O&M cost to treat relatively clean stormwater and groundwater entering Newton's sewer collection system. The remaining \$2.7 million reflects the wholesale O&M cost to collect, transport, treat and dispose of Newton's sanitary contributions.

### Allocation of MWRA Capital (Debt Service) Costs

MWRA's capital (Debt Service) charges are allocated 75% on the basis of census and sewer population and 25% on maximum month flow and average strength parameters. Newton's allocated FY99 capital costs are shown on Attachment A. Out of Newton's FY99 capital charge of approximately \$6 million, about \$4 million is allocated based on the City's share of census and sewer population. The remaining \$2 million of capital charges are wastewater flow and strength related.

### Summary of Newton's FY99 O&M and Capital Sewer Charges

For discussion purposes, Newton's FY99 MWRA sewer charges can be summarized as follows:

Charge Component	Charge (millions)	Percent of Total
Sanitary Flow	\$3.384	25%
Infiltration	\$5.345	40%
Inflow	\$0.711	5%
<u>Population</u>	<u>\$4.012</u>	<u>30%</u>
Total	\$13.453	100%

Allocation of Final FY99 MWRA Sewer Charges to Newton Using Estimated Flow Components \*\*\*

(A) Allocation of Operations and Maintenance (O&M) Charges

CY 1997 Estimated Flow Components	Average Daily Flow mgd	Percent of Total Flow
Sanitary (domestic use)	6.66	36%
Infiltration (ground water from leaky pipes)	10.52	57%
Inflow (roof leaders, sump pumps, etc.)	1.40	8%
<b>Total Flow = sanitary + infiltration + inflow</b>	<b>18.58</b>	<b>100%</b>

O&M Charge Allocation Factors

Total Wastewater Volume	Total Suspended Solids	Biochemical Oxygen Demand	Maximum Month Flow	Community Sewered Population	Community Census Population	Total O&M Charge
\$1,520,899	\$665,612	\$485,228	\$0	\$0	\$0	\$2,671,739
\$2,402,381	\$1,051,387	\$766,456	\$0	\$0	\$0	\$4,220,224
\$319,708	\$139,918	\$102,000	\$0	\$0	\$0	\$561,627

Flow-related	\$4,242,988	\$1,856,918	\$1,353,684	\$0	\$0	\$0	\$7,453,590
Non-flow related	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total O&amp;M Charge</b>	<b>\$4,242,988</b>	<b>\$1,856,918</b>	<b>\$1,353,684</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,453,590</b>

(B) Allocation of Capital (Debt Service) Charges

CY 1997 Estimated Flow Components	Average Daily Flow mgd	Percent of Total Flow
Sanitary (domestic use)	6.66	36%
Infiltration (ground water from leaky pipes)	10.52	57%
Inflow (roof leaders, sump pumps, etc.)	1.40	8%
<b>Total Flow = sanitary + infiltration + inflow</b>	<b>18.58</b>	<b>100%</b>

Capital (Debt Service) Charge Allocation Factors

Total Wastewater Volume	Total Suspended Solids	Biochemical Oxygen Demand	Maximum Month Flow	Community Sewered Population	Community Census Population	Total Capital Charge
\$0	\$131,729	\$126,560	\$453,837	\$0	\$0	\$712,126
\$0	\$208,076	\$199,912	\$716,872	\$0	\$0	\$1,124,860
\$0	\$27,691	\$26,604	\$95,401	\$0	\$0	\$149,696

Flow-related	\$0	\$367,495	\$353,077	\$1,266,110	\$0	\$0	\$1,986,682
Non-flow related	\$0	\$0	\$0	\$0	\$2,026,540	\$1,985,799	\$4,012,339
<b>Total Capital Charge</b>	<b>\$0</b>	<b>\$367,495</b>	<b>\$353,077</b>	<b>\$1,266,110</b>	<b>\$2,026,540</b>	<b>\$1,985,799</b>	<b>\$5,999,021</b>

(C) Total MWRA Sewer Charges = (A) O&M Charges PLUS (B) Capital (Debt Service) Charges

CY 1997 Estimated Flow Components	Average Daily Flow mgd	Percent of Total Flow
Sanitary (domestic use)	6.66	36%
Infiltration (ground water from leaky pipes)	10.52	57%
Inflow (roof leaders, sump pumps, etc.)	1.40	8%
<b>Total Flow = sanitary + infiltration + inflow</b>	<b>18.58</b>	<b>100%</b>

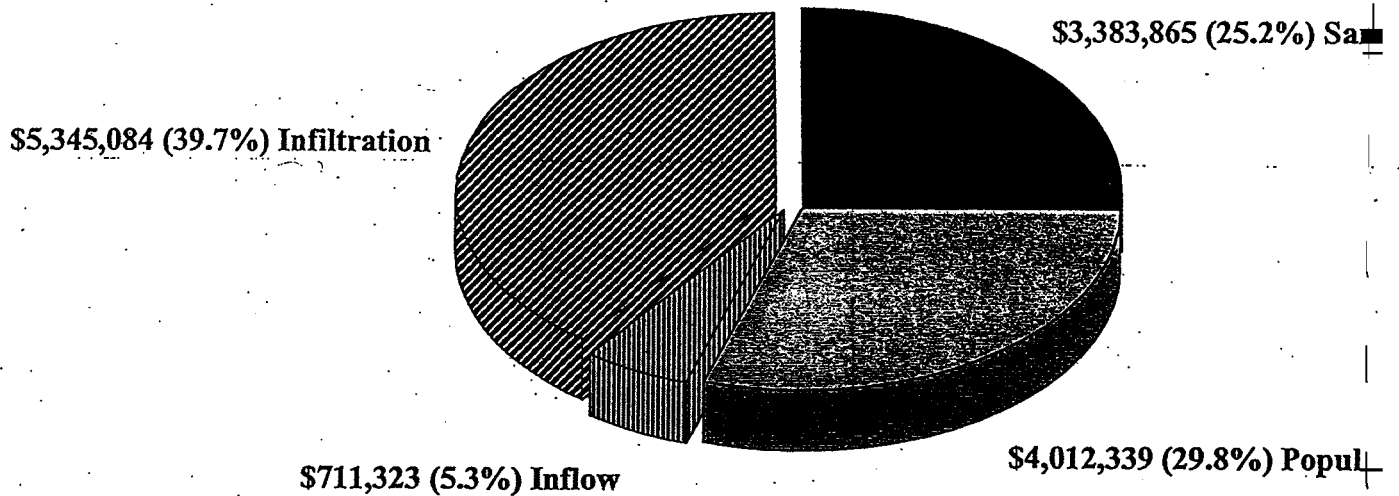
Total Wastewater Volume	Total Suspended Solids	Biochemical Oxygen Demand	Maximum Month Flow	Community Sewered Population	Community Census Population	Total FY99 O&M and Capital
\$1,520,899	\$797,341	\$611,788	\$453,837	\$0	\$0	\$3,383,865
\$2,402,381	\$1,259,463	\$966,368	\$716,872	\$0	\$0	\$5,345,084
\$319,708	\$167,609	\$128,604	\$95,401	\$0	\$0	\$711,323

Flow-related	\$4,242,988	\$2,224,413	\$1,706,761	\$1,266,110	\$0	\$0	\$9,440,272
Non-flow related	\$0	\$0	\$0	\$0	\$2,026,540	\$1,985,799	\$4,012,339
<b>Total FY99 Charge</b>	<b>\$4,242,988</b>	<b>\$2,224,413</b>	<b>\$1,706,761</b>	<b>\$1,266,110</b>	<b>\$2,026,540</b>	<b>\$1,985,799</b>	<b>\$13,452,611</b>

\*\* Important Note: This presentation format is for discussion purposes only. MWRA's approved wholesale sewer charge methodology utilizes total metered community wastewater flow and not the estimated flow components (sanitary, infiltration, and inflow) as the basis of allocating volume, TSS and BOD costs to communities



**Estimated Components of Newton's FY99 Sewer Charges of \$13,452,611**



**70% of Newton's FY99 Sewer Charges are Flow Related and 30% are Non-Flow (Population)**

### **Why Second Water Meters Have No Impact on MWRA Wholesale Sewer Charges**

As previously stated approximately 70% of Newton's annual MWRA sewer charge is based on total wastewater volume as measured by MWRA sewer meters. Water delivered through second water meters for outdoor irrigation purposes would not enter the Newton sewer system and therefore, would not be measured by MWRA sewer meters. Water currently being used for outdoor watering (without a second meter policy) likewise does not enter the sewer system. Newton's FY99 sewer charge of \$13.5 million would not have changed even if, hypothetically, 10% of Newton homeowners had second water meters. (Newton's wholesale water costs would increase due to increase water purchases.

### **Reduced Sewer Revenues Subsidized by Homeowners Who Do not Have Second Meters**

The issue of lost or subsidized sewer revenues resulting from reduced billable water volume (the basis for Newton to recover MWRA wholesale costs plus Newton's cost of operating and maintaining the local sewer system) from all ratepayers is a matter of local policy and retail pricing. It is the single largest obstacle other MWRA communities have encountered when considering implementing a second meter program.

All municipalities used metered water volume as the basis of recovering retail sewer costs. Homeowners perceive that since second meter water does not go into the sewer, they should not have to pay any sewer charges associated with that water. From the earlier discussion it was shown that what actually goes down the sewer (sanitary flow) is only a small portion (25%) of the total cost of providing sewer services to retail sewer customers. Newton ratepayers through their sewer bill are also paying for community I/I (over \$6 million in FY99) as well as allocated population charges of \$4 million. Also included in a homeowner's sewer bill is Newton's cost to operate and maintain the local sewer system, about \$3 million per year. The total costs Newton must recover from all sewer customers is approximately \$16.5 million (\$13.5 MWRA wholesale charges + \$3 million local costs). To reiterate, the \$16.5 million in total sewer costs are not influenced by a second water meter policy.

*A second water meter policy, which relieves a homeowner of their total sewer cost responsibility for water going through the second meter, will shift these costs to and create a subsidization by all other Newton sewer customers who do not have a second water meter. The decision to adopt a second water meter program including shifting all or part of the full retail sewer charge for second water meter customers is a matter of local policy making.*

### **Other Observations**

A creative and innovative second water meter pricing model, which sends strong conservation signals on the water side and holds harmless all other sewer ratepayers who would not have second water meters as well as insuring Newton fully and equitably recovers its annual sewer budget, should be considered. Although several MWRA communities price second meter water higher, none have yet to overcome the lost sewer revenue which can only be recovered through higher sewer charges to all sewer ratepayers including those who do not have second meters.