

CITY OF NEWTON

IN BOARD OF ALDERMEN

PUBLIC FACILITIES COMMITTEE REPORT

WEDNESDAY, DECEMBER 3, 2014

Present: Ald. Crossley, Lennon, Albright, Brousal-Glaser, Gentile, Danberg, Laredo, and Lappin
Also present: Ald. Baker, Fuller, Harney, Johnson, Leary, Rice, Sangiolo, Schwartz, and Yates
City staff present: Alex Valcarce (Program Director; Public Buildings Department), David Turocy (Commissioner of Public Works), Maureen Lemieux (Chief of Staff/Chief Financial Officer), Lou Taverna (City Engineer), Robert Waddick (Assistant City Solicitor), Keith Nastasia (Utilities Director), Rob Symanski (Financial Analyst), Jack Cowell (Capital Analyst) and Mike Cronin

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#455-14 HIS HONOR THE MAYOR recommending amendment to Chapter 29, Section 80 **Sewer/Stormwater use charge.** of the City of Newton Ordinances to create a storm water rate fee structure based upon square footage of impervious surface area.

ACTION: **PUBLIC HEARING CONTINUED; HELD 8-0**

NOTE: See below item for the notes on the discussion.

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.

ACTION: **APPROVED AS AMENDED 6-2 (Brousal-Glaser and Laredo opposed)**

NOTE: The Chair explained that the Committee would be holding public hearings on proposed amendments to the City's ordinances to create a new tiered storm water rate structure based on a range of impervious surface and to allow residential properties to install second water meters for outside water use. Residential properties are defined as properties that have up to 4 housing units. The Chair clarified that neither of the proposed ordinances provides actual rates, but that the intention is to vote on whether to restructure the rates as proposed only. If the restructuring passes, in order to implement the program, the City needs to know how any property owners intend to register for a second meter before rates can be set to meet budget requirements. There will be no change to the current water/sewer rates or the storm water rates through the end of this fiscal year. The Board of Aldermen will set the water rates and storm water rates for Fiscal Year 2016 in April or May of 2015, which become effective on July 1, 2015. The Chair added that the Committee is not ready to take an action on the proposed ordinance amendments on the storm water rate restructure; therefore, the public hearing on Docket Item 455-14 will remain open and the Committee will hold the item.

Commissioner Turocy and Chief of Staff Maureen Lemieux provided the attached PowerPoint presentations. The presentations include the rate restructure goals and objectives, information on the City's current budgets for water, sewer, and storm water, and information on the process for homeowners would need to follow to install a second meter, a communication plan to inform residents about the option to install a second meter if the Board of Aldermen approves the ordinance amendments. The reports from the Committee's previous discussions on the proposed ordinances to allow outside meters and the restructure of the storm water rate are also attached.

At the conclusion of the presentation, it was pointed out that in order to benefit financially from having an outside meters residential property owners would be using 40 or more hundred cubic feet (HCF) of outside water. Approximately 3,500 or 25% of residential property owners will benefit from an outside meter, if commercial properties are not included in the program in the first year. Chief of Staff Maureen Lemieux stated that the proposed rates for Fiscal Year 2016 would remain within the recent commitment to of an overall increase for water, sewer and storm water rates within 3.9%. This rate was established as what will be needed to fund the restoration of the water and sewer systems. Some Committee members felt that the City might want to raise rates above the 3.9% to address storm water system improvements and to address any new requirements that the Department of Environmental Protection may be placing on municipalities regarding storm water quality standards. Ms. Lemieux will do a full analysis once the storm water system assessment is complete. However, the City may be able to stay within the 3.9%, as the City has seen a reduction in the MWRA sewer assessment, which allows more money to be dedicated to other improvements.

The public hearings were opened and the following people spoke:

Harry Sanders, 607 Watertown Street, Newtonville – About three years ago, a number of us concerned citizens/rate payers got together to explore why there were abnormally high water bills. Some bills being as high as \$170,000 that one person had with a normal expected bill of in the hundreds of dollars. So we became interested in pursuing what was really going on. In rebuttal with the City, it was indicated that the Automated Meter Reading Devices (AMR), which send the signals from the residences out to the Public Works operations at City Hall, were defective and things did improve once the new AMRs were installed. Three years ago, the new program was installed with the Elster Amco water meters. Upon further research, we explored the technology behind the Elster Amco meters. The company manufactured in Ocala, Florida, they were set to national standards of three rates of flow – the low flow, which will now be addressed from on down by the micro tier that is proposed, and then there is the medium flow rate and then the high flow rate. We did some research and we found there were two municipalities in the country, one of which is Cleveland, that sued Elster Amco successfully with confidentiality agreements reached and at that point we became suspect that maybe there is indeed a problem with Newton's water meters that had just been installed three years ago. What we did is we hired an engineer and we got two of the latest technology water meters and we installed them downstream from the City water meters that were installed and we expected because of the high rates that the medium and high flow rates were exorbitantly high – that is not what we found. What we found was the low flow rate on down to minimal use was in error.

Now, how does that affect this program? One may ask. Coincidentally, Elster Amco gave up production of residential water meters and upon further investigation and candid conversation with two members of the Massachusetts Water Resources Authority (MWRA) Executive Board one of which is John Carroll, it was admitted that these meters are defective. As a matter of fact, Mr. Carroll, who is the Town Manager for Norwood, has this very issue and because their base is more towards commercial the 8" meters are more effected on that level. Mr. Carroll put me in touch with Mr. Wayne Travis of Mass Install and he had been doing updating on these municipalities throughout the Commonwealth, one is Somerville. Waltham is going through this process or has completed the process and what we are finding is that the inability to proceed in a way that with defective meters you are going to be able to recover anything. Elster Amco moved operations to Mexico. They no longer make residential meters but we have these fifteen-year warranties that are not worth their weight in water. Where does that leave us? Well, with a number of engineers, we came up with a commodity index option, which is a possible cure in protecting the integrity of the program. What the commodity index option would do; it would provide for a lag in technology. Do you remember Tom Daley, the previous Public Works Commissioner? Well, Tom moved to Southbridge and now he is in Orleans. I said Tom – What is it about Newton that happened? He said the Board of Aldermen was ten years too late to get it done and by that time the technology was behind. What an admission. Tom is a wonderful guy. He has nothing to lose. My name is Harry Sanders if you would like to anybody I have all the documents to help you out on any of these issues and I thank you for your time.

Andrea Downs, 854 Chestnut Street, Newton Highlands – I am one of the micro users but only when my kids are not home. The rest of the time, I think I am in the 75% that would be bearing the cost of the second meters. I appreciate Ald. Laredo's question that clarified that for us because I am not sure the value of shifting costs from our highest users, the people who can afford in ground installation and in ground pools, to the already squeezed middle income areas of Newton – what kind of value that gives us as a City' while I appreciate the protection of micro users. On storm water – I too have done a little research in my position of Executive Director of the Wastewater Advisory Committee to the MWRA and I was at two Environmental Protection Agency hearings on the MS-4 Permit, where the recommendations for small municipalities like ours involve a long range plan for which we should be getting some credit for the work this Committee and the City has undertaken. The other pieces are things like good housekeeping. Stuff that the \$750,000 we currently raise barely covers like street cleaning, catch basin cleaning, enforcement of construction site run off and other things. The main thing that we are impaired for in the Charles and Crystal Lake is phosphorus, which runs off of all impervious surfaces and chlorine, chloride, salt – Those things are not going to be helped by just fixing the underground pipes. We are going to need to do more of the collecting of leaves, reduction of sand and reducing the amount of salt we dump on our roads. We will need to do some other cleaning of the water before it hits the open water. Storm water pollution now represents 55% of the water pollution in our rivers, bays, and oceans. So it is no longer our wastewater treatment plants that are really affecting us. There is some dumping, there is some cruise ships that like to empty off into the harbor but it is mostly storm water runoff. I support whatever we can do to raise a little bit of money to both keep up our good housekeeping operations that keep pollution out but also fixing the system and maybe even expanding it a little with some green infrastructure that holds and cleans water before it runs into the rivers. There is good technology available. In fact, there

was an EPA webcast yesterday that I can link you up with that was very helpful in what works and how to plant for it and how much it helps with not just with pollution control but also with flooding and flooding control because if you can stop the water from rushing down the hill, you can also prevent some property damage. Often the property damage avoidance is up to or exceeding the cost of the infrastructure. I would support that.

I am a little bit worried about the tiered rate I see on the slide just because I am not sure that we want to give a bargain basement rate to people who cause most of the issue, those who have more than 50,000 square feet of impervious surface should be really encouraged with a higher fee for storm water to mitigate that. Someone paying \$65 to \$75 a year may not feel as incentivized but those big impervious spaces ought to be paying more.

Richard Hutchinson, 160 Lincoln Street, Newton Highlands, currently there are two somewhat offsetting inequities, it is proposed to remove one and increase the other. Therefore, I oppose second water meters and I oppose increasing the storm water fees for residents. It is assumed that all the water from sprinklers enter the ground; this is false. I see a significant number of sprinklers aimed at sidewalks and pedestrians. I have been soaked twice. Certainly, water is aimed into streets and onto traffic. The water, which is not carried home on clothing, enters the storm drain system. Until the sprinklers are aimed exclusively onto the grass, I recommend that storm water fees be assessed only to the owners of sprinklers and second meters should not be allowed. Check the sprinklers on the library grounds at the intersection of Walnut and Homer Streets. Lawn owners also impose another burden onto the City. They hire landscapers, who misuse leaf blowers frequently blowing crud onto neighboring properties and into the streets fouling the catch basins. If; however, you choose to have second meters, the special rates should be confined to the hours of 2 to 4 AM, which is the recommended time for watering lawns and apply normal rates otherwise. I also object to the imposition of storm water fees onto residents. The storm drain system should be supported by the general fund, as are public buildings and streets. The slide has the fee of \$65 to \$75 for residents – let us average it to \$70. With fees, I earn \$70, I pay a \$70 storm water fee. If my income is in the median for residents, I am in the 25% federal income tax bracket and I pay \$17.50 in tax – that is a net loss. If the storm water system were supported out of the general funds, I earn \$70, I pay \$70 property tax, I deduct \$70 from my income and the income tax is zero because I can deduct it. I have commented on deductible in the past. The word deductible is uttered in this building more frequently in a day than by all city officials combined in a year. Whenever the City saves money, residents spend a larger amount. At a previous meeting there was concern about how to alert the public about second meters. An article in the TAB and a letter accompanying the water bill should provide adequate publicity. At notification, the City continues to scrimp refusing to hire skywriters and the Good Year Blimp. Do not worry about pursuing this topic before studied by the full Board of Aldermen, normal time ordering of events is unnecessary in Newton. A few years ago, the public hearing on water rates was held two days before the date on the Mayor's letter requesting the rates. A remarkable example of time travel.

Priscilla Leith, 162 Islington Road, Auburndale – I could speak to a lot of this cause I have been in at least five or six meetings on this subject over the last two years. I want to plug in on the storm water. I am concerned that there is a missing basic amount assessment here in that

according to Maureen Lemieux at a meeting or two ago, Newton has 300 miles of streets. We do not all drive on all of those streets every day and sometimes the people who live there don't even drive on them every day. Most of the time there are out of city people who use them. I wish there were some way that we could assess them for the pollution that they cause and the treatment of our storm water drainage. Unfortunately, we do not have that but we should keep looking; I think. I am concerned about the fact that there does not seem to be a basic cost here in the two structures that I have seen up on the screen. I think there should be consideration of the fact that everybody should pay a basic cost to cover the 300 miles of streets and then go up to the impervious surface amount on each person's properties because it just does not seem quite right. It is not polished enough. My thinking is maybe Maureen Lemieux could plug in something that would add that to one of her models. She seems to have hundreds of financial models that she has been using. I have for the second piece of comments. I have the report that Commissioner Turocy submitted in April 2014 to the Mass Department of Environmental Protection for the NPDES permit and I am curious how long we have until that runs out and we have to submit another report or request because that is where the crunch comes and we have to have more improvements underway or we are going to get fined or we might not get the permit and we need to have that.

Michelle Baxter, 59 Claremont Street, Newton – I just wanted to make a couple of comments. First one, I have three teenage girls; so I know what it is like to have to pay for water and I accept that and with that water that is used in the showers goes down the drain so I accept that too but I also live in what we call the Garden City. In order to keep that Garden City green, people do invest in watering their plants, lawns, trees and maintaining that reason why many people live in this City. There is a cost to that and I realize that but I think it has to stop when it comes to the sewage fees and that is the short of it.

Jill Geiger, 72 Madison Avenue, Newtonville – To me it is a no brainer that there should not be a sewer charge for water that does not enter the sewer system. As Michelle Baxter said, Newton is the Garden City and metering water for gardens separately supports gardens and gardeners. However, if I understand what has been said with the cost of the meter and the amount of water used to water my garden, this would not be worth doing for my two-family, which is very disappointing.

Myron Rosenberg, Green Decade, 63 Pleasant Street, Newton Centre – I am here tonight on behalf of Green Decade Newton. I am the Chairman of our newly formed water resources committee. I just want to go on record that Green Decade supports the notion of a second meter as a question of fairness and equity. We do so only with the caveat that a tiered structure is required and the tier charged for outdoor use should be the highest charge in the setup. As far as storm water is concerned, we certainly support the notion that the City needs more revenue to maintain and improve the storm water system. We believe that the idea of impervious surface as the basis for a charge is at least getting towards the notion that the consequence of the storm water in terms of quality and quantity be related to the basis of the charging and this is a step in that direction. There is a lot more work to be done and we support the City in its attempt to create an asset management plan for the City's drainage system.

Gorham Brigham, Cherry Street, West Newton – I have a comment and an observation slash suggestion, perhaps. The comment has to do with the fact that apparently about 3,500 residential properties use irrigation systems. I just wanted to make the observation that it seems to me that the people who have irrigation systems today with a single meter are in essence paying a lot more for their sewer charges than they are actually flowing into the sewer and therefore are subsidizing everybody else's sewer charges. I am certainly all for fairness in terms of how we pay for these things but an early comment seemed to lean in direction that people with irrigation systems are getting a big break if they go to a second meter but I think there is a certain amount of fairness that has to be applied there because they are paying much more in sewer charges today than they are actually using. I think the observation I have and the suggestion on the storm water is that if I understand correctly newer properties are required when they are built to capture all of the impervious surface water from storms on the property. Therefore, they are not adding significantly to the flow into the City's storm water system and perhaps it might be fairer to them to consider some kind of a micro charge for those kinds of properties, so that they are not effectively subsidizing everybody who is not capturing the impervious water on their properties. (Please note that the City allows property owners that install mitigation systems to apply for storm water fee credits. There are City standards and policy that provide for a review on a case-by-case basis of storm water mitigation to determine the degree of credit a property owner will receive. The City will continue to offer it, if and when, the storm water rates are based on impervious surface area.)

Lawrence Green – We certainly pay our fair share of taxes; however, speaking for fairness and logic there is no logic for paying storm water on water that is going into the ground that is not being put into the sewer system. We are not going to save any money but it is fair to pay for whatever the water costs and for whatever the cost of the sewer is but it does not make any sense to pay for water that is just going into the ground.

Alvin Silverstein, 80 Westgate Road, Newton Centre – I have a second meter. I have had one for over twenty years and I am find now with the last bill that I go for water consumption only for the second meter that 60% of my water use is for the sewer issue. For the life of me, I cannot understand why water going into the ground that does not enter the sewer system has to be taxed even though we do not call it a tax. If it was a tax and part of our costs of taxation on our real estate, you could deduct it – that would make sense. It is a tax; there are no questions about that so I think it is totally unfair. Also, I kind of question the cost of installing a second meter would be. I am looking at my costs for that second meter and my sewer tax is \$1,331.68. The water section is \$903. I cannot imagine that it would cost \$1,300 to put in a meter or anywhere close to that. So that if you do put a second meter in there has to be a payback. Certainly talking to your plumber would answer that question. The last comment I have is what I do not understand is that with the data that you have about who has second meters you could easily calculate how much water is used. Why can't you go to the MWRA and say "look we have proof that this amount of water does not enter the sewer system" and can't you get a rebate on that. (In the presentation, Commissioner Turocy explained that although we cannot meter sewer at each of our residences, it is metered before it goes to the MWRA. At the periphery of the City, there are about five giant sewer meters. We, as a City, only pay for the

sewage that we send to MWRA for treatment. The City is estimating the cost for installing a second water meter)

Jerry Rutberg, 247 Watertown Street – I live in a small condominium complex. When will property owners see the relief of the outside meters? (If the complex has four or less units, it is eligible to install a second meter and if that new meter is installed by July 1, 2015, the new rates will apply.)

The public hearing on the ordinance amendments to allow for outside irrigation meters was closed. The hearing on the ordinance amendments to restructure the storm water rates remains open.

Ald. Baker reminded the Committee that there is a fixed cost to the MWRA sewer assessment that the Board may want to apportion to the outside water use if the second meters are approved. Ald. Fuller pointed out that those property owners who install second water meters would already be contributing to the fixed cost of the MWRA sewer assessment on their indoor water use. The Board of Aldermen will not set rates until April or May 2015, so can continue the discussion surrounding how to apportion the fixed portion of the MWRA sewer assessment.

The Board of Aldermen needs to act upon the outside water meter amendments by the end of the year to allow for a reasonable but finite period of time for property owners to register for the program effective July 1. The City must know how many residential property owners will be installing outside meters in order to establish the water and sewer rates for the coming fiscal year. . Property owners will need to inform the City of their intention to install a second meter by registering at City Hall by April 1, 2015.

The Committee members all supported the change in the storm water fee structure and basing the fee on a range impervious surface area. Members of the Committee felt that there needed to be additional fine-tuning of the fees for storm water. Many members felt that more of the burden should be shifted to properties with larger impervious surface area. A motion to hold the storm water ordinance amendments was made and supported unanimously.

Members of the Committee voiced their support of separating the sewer/storm water ordinance to make them two stand-alone ordinances, one for each utility.

The Committee reviewed the draft ordinance amendment that was attached to the agenda to allow for second meters as they relate to the water section of the ordinances. The Committee determined that in order to allow second meters the amendments needed to include sections of the sewer related ordinances. Assistant City Solicitor Bob Waddick agreed to provide revised draft language that corrects any typographical errors and includes any needed changes to implement outdoor water meters by the Finance Committee meeting on December 8, 2014.

Ald. Laredo and Brousal-Glaser do not support the amendment to allow outdoor meters as they feel it only provides a benefit to a small number of property owners and puts more of a

financial burden on the rest. In addition, Ald. Brousal-Glaser stated that outdoor meters do not take a progressive approach to water conservation and that there are other methods available to irrigate lawns and gardens. The rest of the Committee supported the outside water meters for residential properties as a matter of fairness to residential property owners. Ald. Gentile moved approval of the item with an amendment to include amendments to the water and sewer related ordinances to allow for second meters. The motion carried by a vote of six in favor and two opposed.

It was pointed out that the Aldermen could amend the ordinances in the future to include commercial properties. The Aldermen would like further data on the estimated rate impact of allowing outside meters and the assumptions used to determine the impacts. The Administration will provide impact studies to the Board of Aldermen within the next week.

#417-13 PUBLIC FACILITIES COMMITTEE requesting that the Administration provide updates on the progress of the Angier Elementary School project. [11/21/13 @ 9:16 AM]

ACTION: **HELD 8-0**

NOTE: The Committee was supposed to receive an update on traffic improvements associated with the Angier Elementary School project. Unfortunately, Director of Transportation Bill Paille was unable to attend the meeting; therefore, the item was held for future discussion.

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]

ACTION: **APPROVED 8-0**

NOTE: Public Buildings Program Director Alex Valcarce presented the request for 150,000 to replace HVAC rooftop units and associated mechanicals at the Senior Center. The rooftop units are failing and no longer provide appropriate temperature control or air quality. The project is listed in the Fiscal Year 2015 Capital Improvement Plan. Ald. Danberg 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]

ACTION: **APPROVED 8-0**

NOTE: The School Department's Director of Operations Mike Cronin presented the request for funding to replace a 1970, 300-gallon water heater at the F. A. Day Middle School.

The water heater is failing and after an insurance inspection; Travelers Insurance asked that the School Department take the water heater off line. The water heater will be replaced with a gas water heater of a similar size that is more energy efficient. Ald. Gentile moved approval, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#468-14 HIS HONOR THE MAYOR requesting authorization to reallocate the Carr Elementary School Renovation Project Budget to replenish funds for the Mayor's Contingency Budget Line, as well as to cover the costs of various project related expenses. [11/24/14 @ 4:23 PM]

ACTION: **HELD 6-0 (Brousal-Glaser and Lennon not voting)**

NOTE: Several members of the Committee were disappointed that funds were expended for change orders without Board of Aldermen approval. It was pointed out that the Board Order for the project included a line item budget that requires the Board of Aldermen to approve transfers between line items in order to provide oversight. It defeats the purpose of a line item Board Order if the Administration moves forward without Board of Aldermen approval. Public Buildings Program Manager Alex Valcarce explained that not all of the change orders are complete and the work that was done was time sensitive. It was not the intention of the Public Buildings Department to avoid coming to the Board of Aldermen for approval.

The Committee asked that the Public Building Department provide a list of the work that is complete, the outstanding work, and the funds needed for each change order. A motion to hold the item was made and carried unanimously.

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]

ACTION: **APPROVED AS AMENDED 8-0**

NOTE: Chief of Staff Maureen Lemieux presented the request for \$127,500 to replace a generator and transfer switch at Fire Station #1 located on Church Street in Newton Corner. Ms. Lemieux stated that the Mayor would be submitting a letter to change the funding source from the energy conservation fund to Free Cash to address the concern of the Chair regarding using funds that are supposed to be dedicated to energy efficiency projects for the generator and transfer switch. Ald. Albright moved approval of the item with the amended funding source, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#471-14 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of four hundred thousand dollars (\$400,000) from Free Cash to fund the design, construction, and relocation of modular buildings from Zervas Elementary School to Newton South High School for special education program needs. [11/24/14 @ 3:43 PM]

ACTION: HELD 8-0

NOTE: The School Department's Director of Operations Michael Cronin provided an introduction of a project that will move the modular classrooms at Zervas Elementary School to Newton South High School. Mr. Cronin explained that the student population at Lincoln-Eliot Elementary School is growing and the school needs more classroom space. In order to provide more space, the pre-school located at Lincoln-Eliot will need to be moved to the Education Center. The move of the pre-school will require a special education program at the Education Center move to Newton South High School. The plan is to house the special education program in either the modular classrooms from the Zervas Elementary School or an existing building on the site that could be rehabilitated.

The installation of the modular at Newton South High School would be required to go through the site plan approval process. The School Department will pay for the schematic and site plan design for the modular. The project is still in the early planning phase and further information will be provided to the Committee as it becomes available. The Administration would like the Committee to hold the item for a future discussion.

There was some concern among Committee members that the City was continuing to use modular classrooms to house students, especially at Newton South High School because additional space was added at the school during the recent renovations. When the School Department and Public Buildings Department comes back to the Committee for the site plan approval, more information will be available. Ald. Lappin moved hold on the item, which carried unanimously.

#255-14(3) ALD. YATES requesting a RESOLUTION to His Honor the Mayor seeking preservation of the historic house at 1316 Beacon Street; such preservation shall include documentation and disassembly and storage on a temporary basis for possible reconstruction on another site in the future.

ACTION: NO ACTION NECESSARY 6-0 (Brousal-Glaser and Lennon not voting)

NOTE: The Public Buildings Department provided the Committee with a letter stating that the Public Buildings Department will work with the Historical Commission to develop an architectural salvage plan to identify historical elements of 1316 Beacon Street that can be salvaged. The survey will also look at the timber framing to determine if it can be salvaged. In addition, the Site Plan Approval Board Order for the Zervas Elementary School contains a condition requiring an existing conditions survey plan for the structure at 1316 Beacon Street and an Architectural Salvage Plan prepared with attention paid to any portions of the structure that may reasonably be salvaged. The letter and condition negate the need for a Resolution; therefore, a motion of no action necessary was made and carried unanimously.

REFERRED TO PS&T AND PUBLIC FACILITIES COMMITTEES

#341-14 TRANSPORTATION DIVISION requesting presentation of the Washington Street Access Improvement Study provided by the Central Transportation Planning Staff. [08/29/14 @ 11:08 AM]

PUBLIC SAFETY VOTED NO ACTION NECESSARY 6-0 on 11/19/14

ACTION: NO ACTION NECESSARY 6-0 (Brousal-Glaser and Lennon not voting)

NOTE: The Committee received a presentation from the Central Transportation Planning Staff (CTPS) on the Washington Street Study on November 19, 2014. Unfortunately, the docket item was not listed under items scheduled for discussion on that meeting agenda and no action was taken on the docket item. There were no further questions on the presentation and a motion for no action necessary was made and carried unanimously.

REFERRED TO PROG & SERV, PUB. FAC., ZAP, AND FINANCE COMMITTEES

#256-12 ALD. HESS-MAHAN, SANGIOLO & SWISTON proposing an ordinance promoting economic development and the mobile food truck industry in the City of Newton. [08/06/12 @4:46 PM]

PROG & SERV VOTED NO ACTION NECESSARY 6-0 on 11/19/14

ACTION: NO ACTION NECESSARY 6-0 (Brousal-Glaser and Lennon not voting)

NOTE: The Programs & Services Committee voted the item no action necessary on November 19, 2014, as there is concern among the restaurant owners that mobile food trucks will create a negative impact on restaurants in Newton. The Programs and Services Committee will be docketing a proposed resolution to encourage the development of a program with the participation of local restaurants, the Economic Development Commission and Chamber of Commerce to encourage people to use local restaurants to provide food at events. Therefore, a motion for no action necessary was made and carried by a unanimous vote.

Respectfully submitted,

Deborah Crossley, Chairman

Utilities



Water / Sewer / Stormwater Rate Restructures

Utilities – Water/Sewer/Stormwater



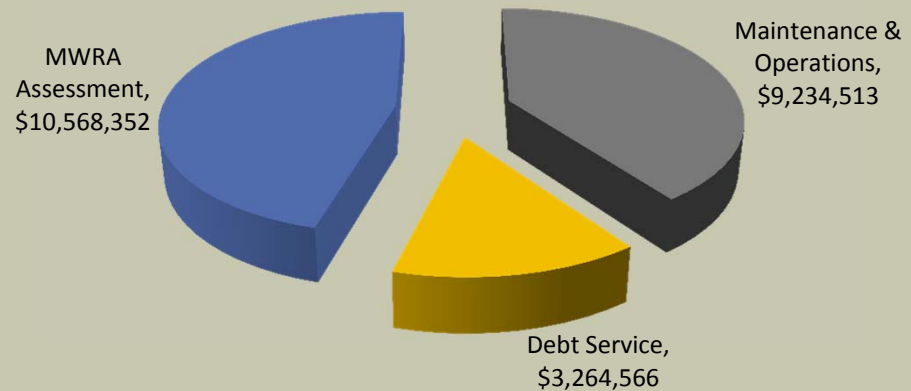
Water / Sewer Rate Restructure

Water/Sewer Rate Restructure



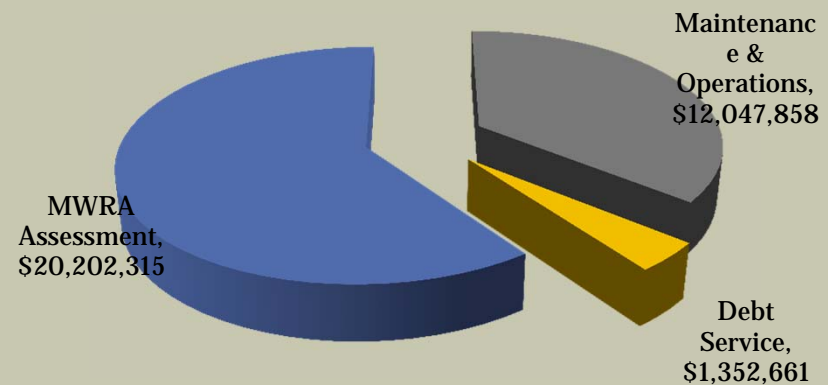
Water Budget - \$23,067,431

- MWRA Assessment –
 - ✦ \$10,568,352
- Ops/Maint & Reserves
 - ✦ \$9,234,513
- Debt Service
 - ✦ \$3,264,566



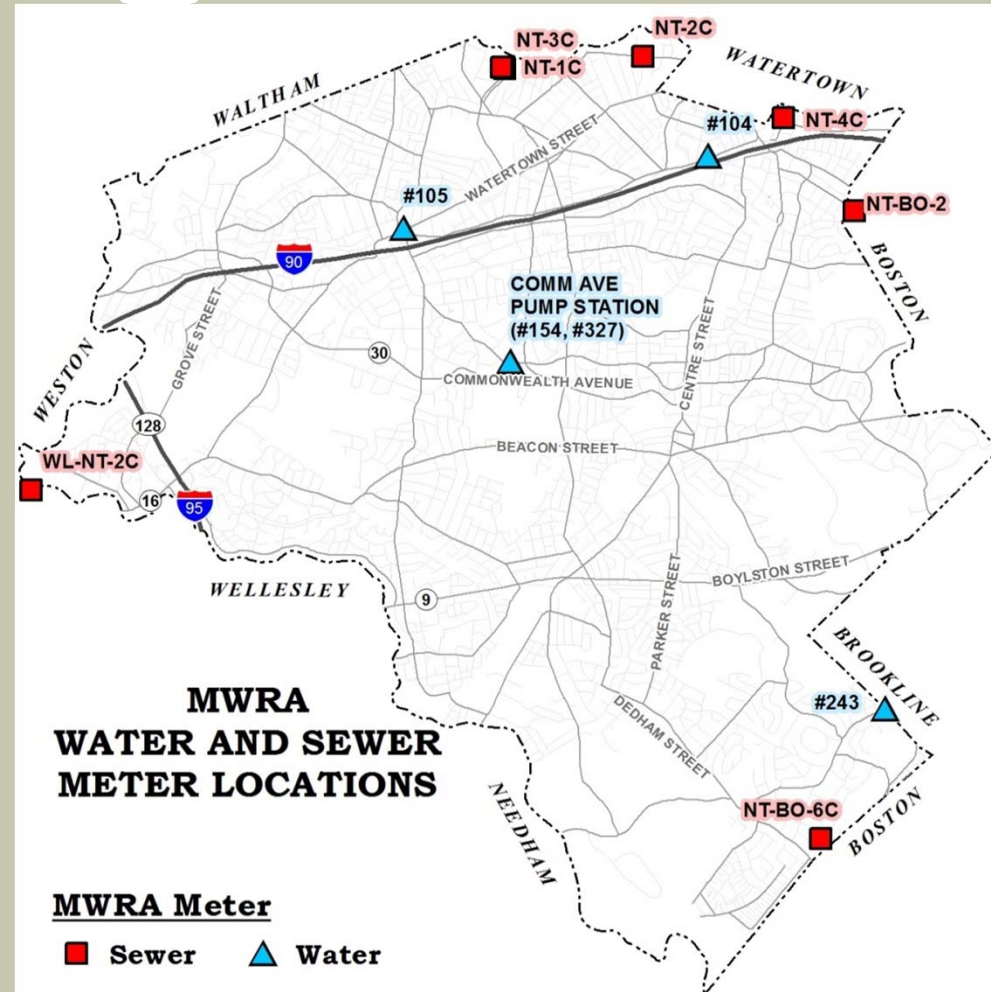
Sewer Budget - \$33,602,834

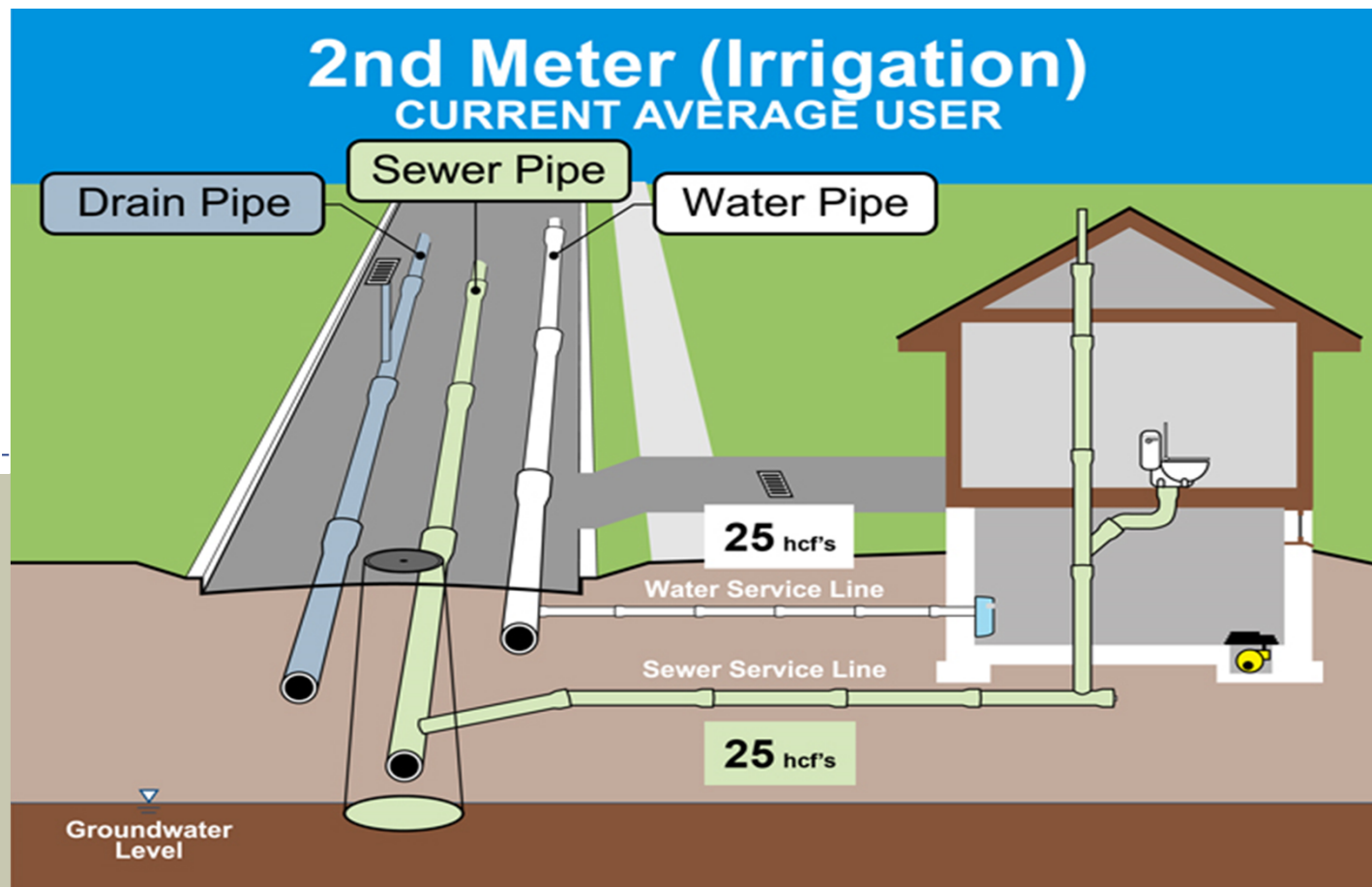
- MWRA Assessment –
 - ✦ \$20,202,315
- Ops/Maint & Reserves
 - ✦ \$12,047,858
- Debt Service
 - ✦ \$1,352,661



Water/Sewer Rate Restructure

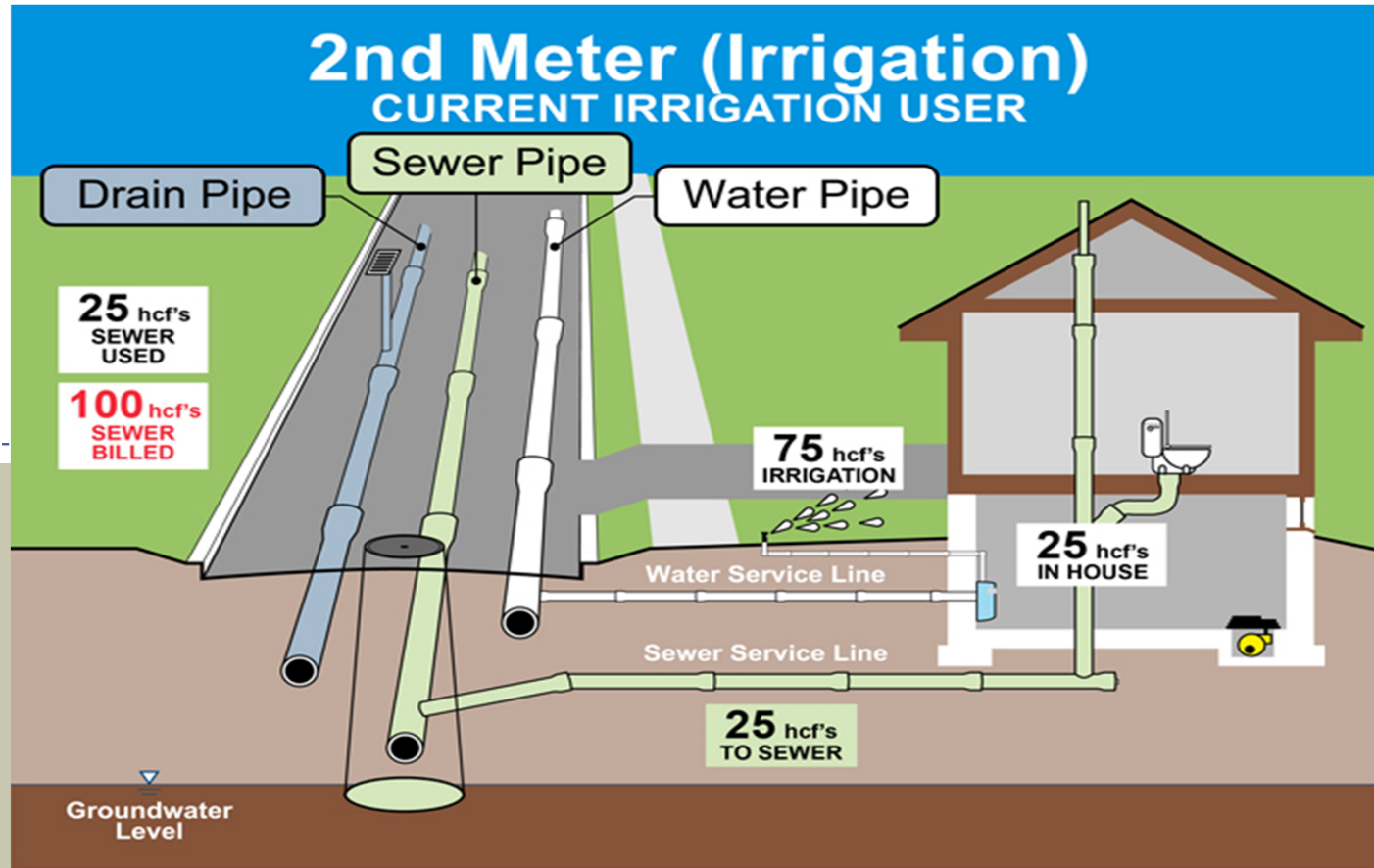
- **MWRA**
 - Meters Water at 5 locations
 - Based on Previous Year
- **MWRA**
 - Meters Sewer at 7 locations
 - Based on 3-year ave. Flow/Pop./Strength
- **City**
 - Meters Water only at Residence/Business
 - Sewer metering is not feasible





Scenario #1	
Current resident	
No irrigation use	
25 hcf's/qtr; 100hcf's/yr	

	Quarter	Annual
Water	\$ 158	\$ 631
Sewer	\$ 232	\$ 930
Total	\$ 390	\$ 1,561



Scenario #2
Current resident
Uses irrigation - 1/2 year
25 hcf's/2 qtr; 100hcf's/2 qtr
250 hcf's/yr

	Quarter	Annual
Water	\$ 747	\$ 1,810
Sewer	\$ 1,102	\$ 2,668
Total	\$ 1,849	\$ 4,478

Current Sewer Structure



Scenario #1	(Average User)		Quarter	Annual
Current resident		Water	\$ 158	\$ 631
No irrigation use		Sewer	\$ 232	\$ 930
25 hcf's/each quarter		Total	\$ 390	\$ 1,561
Scenario #2	(Irrigation User)		Quarter	Annual
Current resident		Water	\$ 747	\$ 1,810
Uses irrigation 1/2 year		Sewer	\$ 1,102	\$ 2,668
25 hcf's/2 quarters; 100hcf's/2 quarters		Total	\$ 1,849	\$ 4,478

Water/Sewer Rate Restructure



- **Rate Restructure Goals:**
 - **Provide sufficient resources for Utilities operations**
 - **Accuracy – pay for services rendered**
 - **Sensitive to small users**
 - **Promote water conservation**

Water/Sewer Rate Restructure



- Revised rate information
- Maureen's slides

Utilities – Water/Sewer/Stormwater



Stormwater Fee Restructure

Stormwater Fee Restructure



- City established a Stormwater Fee in 2006
- Fixed Fee
 - \$25/Year – residential
 - \$150/Year – commercial
 - Annual Income - \$750,000
- Program Support
 - 6-person crew – less support from Sewer Division
 - Stormwater operations – increased costs expend capital funds
 - \$150,000 Capital Funds - \$0 surplus generated now

Stormwater Fee Restructure



Stormwater Assessment

- Localized Flooding
- Stream Maintenance
- Culvert Maintenance



Stormwater Fee Restructure



EPA (NPDES) Stormwater Permit



Improve Water Quality

- Water Sampling
- Reduce Pollutants

Water/Sewer Rate Restructure



- Revised rate information
- Maureen's slides

Stormwater Fee Restructure



- **Based on Impervious Surface**
 - Any material or structure on or above the ground that prevents water infiltrating into the underlying soil.
 - Impervious surface includes roads, paved parking lots, sidewalks, driveways and roof tops.

Stormwater Fee Restructure



All businesses currently pay \$150



Process for Outdoor meters



- Homeowner “registers” with DPW/Utilities
 - \$145 fee – \$25-Utilities inspection; \$120-transponder
- Homeowner hires licensed plumbing contractor
 - \$50 plumbing permit (ISD)
 - \$115-\$175 for water meter – supplied by plumber
- Plumber installs meter, transponder and plumbs necessary lines
- Installation must be inspected by
 - DPW/Utilities Division (verify meter operation)
 - ISD (final plumbing inspection)

Timeline for Outdoor meters



- Register with DPW/Utilities by **April 1st**
 - (\$145 – Utilities Fee, Transponder)
- Rates take affect **1 July** following installation
- Outdoor meters registered after April 1st will be programmed into following Fiscal Year billing

Communication Plan for Outdoor Meters



Mid-December: 1) article in Tab and Globe about 2nd meters
2) Second meters in Tab column (first time)
3) Social media?
4) City website

Mid-January: 1) Notification on NewTV – will run for one week

February: 1) Letter sent to the approximately 6,000 residents identified as having an outdoor irrigation system – either in water bills or separate mailer

Mid-February: 1) Ad in Newton Tab for 2-3 weeks
2) Include information in Tab column again
3) Information to Boston Globe to be included in Globe West Community Briefs
4) Press release/information to Village 14 and Patch

**End February/
Early March:** 1) Notify irrigation contractors that provide services in Newton

Early March: 1) Notification on NewTV
2) Information in Tab column again
3) Follow-up Tab article?
4) Newsletter
5) Social media

Stormwater Fee Restructure



Stormwater Fee
based on tiered
Impervious surface

Business #1
(44,100 sf)
\$xxx

Business #2
(231,337 sf)
\$xxx

Water/Sewer Rate Restructure



Completed Stormwater Projects

Funded by Stormwater / Drain Use Fees From FY 2007 through Feb. 2014

Project Name	Description	Dates	Expenditures ¹
Hammond Pond Stormwater Improvement Project	The improvements included the removal of paved swales; and the construction of five bioretention cells, two sand filters and vegetated buffer areas.	Jul 2006 to Aug. 2007	\$ 30,000.00
Crystal Lake Bath House Project	Planning, permitting, design and construction of stormwater collection and treatment measures for the existing parking lot & roof leaders.	Oct. 2007 - April 2012 (2 phases)	\$ 35,000.00
Ashmont Ave Drainage Study	Assessment of existing drainage infrastructure and flooding in the area.	June - Dec. 2007	\$ 15,500.00
Cheesecake Brook at Albemarle Rd	Conceptual design for brook wall restoration	Jan - April 2008	\$ 8,000.00
City Hall Ponds Sediment	Sediment Testing Contract	May - Oct. 2008	\$ 21,000.00
Ashmont Ave Drain Replacement and Upgrades	Construction contract to replace 24" diameter drain pipes and with twin 30" SDR 35 pipes	Jun - Sept. 2009	\$ 178,000.00
Culvert Inspections	Contract with FST to inspect road culverts and present findings in a report	Sept 2009 - Feb. 2010	\$ 23,000.00
Stormwater Rate Evaluation Study	Contract with CDM to evaluate our current stormwater rates and develop a new rate structure based on impervious area	2010 -2011	\$ 30,000.00
City Hall Ponds Dredging and Restoration	Survey, Design and Permits for the three ponds sediment removal project	Dec. 2011 - Sept. 2012	\$ 61,500.00
Webster and Rowe Street Drainage Project	Construction and implementation of our design to replace and upgrade to 24" drainage pipe	Sept - Dec. 2012	\$ 180,000.00
City Hall Ponds Dredging and Restoration	Contract to implement design, remove and dispose of sediment and restore disturbed banks	Jan. - June 2013	\$ 320,000.00
Catch Basin Inserts	Furnish and install water quality inserts for storm drains located in the Crystal Lake Watershed	April - July 2013	\$ 25,000.00
		Total	\$ 927,000.00

Notes:

¹ Many of these projects were designed, managed and in some instances constructed by DPW staff. Labor costs are only partially covered by the current stormwater fund budget and are not included in the expenditures column.

² This list does not include Operations and Maintenance, such as CB cleaning, repairs and replacement of storm drains and brook walls.

Water/Sewer Rate Restructure

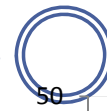


Overall Budget		\$ 30,973,993		
MWRA Assessment		\$ 20,146,020	65%	
Ops/Debt/Reserves		\$ 10,827,973	35%	Fixed
MWRA Assessment		\$ 20,146,020		
Flow		\$ 10,878,851	54%	
Population		\$ 9,267,169	46%	Census
MWRA Flow		\$ 10,878,851		
Account Usage		\$ 4,351,540	40%	Flow
I&I Estimate		\$ 6,527,311	60%	Fixed

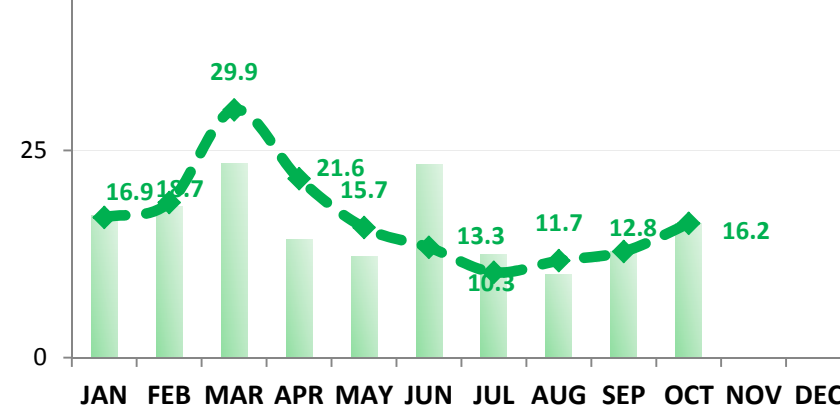
Fixed Costs		\$ 17,355,284	
Ops/Debt/Reserves		\$ 10,827,973	
MWRA - I&I		\$ 6,527,311	
Census		\$ 9,267,169	
MWRA - Population		\$ 9,267,169	
Flow		\$ 4,351,540	
MWRA - Accounts		\$ 4,351,540	
Overall Budget		\$ 30,973,993	
Fixed		\$ 17,355,284	56%
Census		\$ 9,267,169	30%
Flow		\$ 4,351,540	14%

Primary “Fairness” Issue

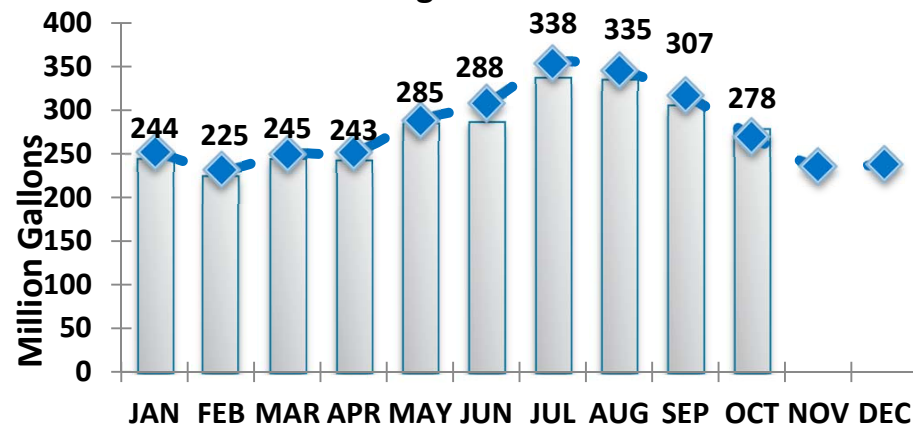
- Sewer Flow peaks in Spring and Fall
- Water Flow (and Sewer Billing) peaks in Summer



NEWTON CY-13 SEWER FLOWS
vs. 3YR Average – CY10-CY12



NEWTON CY-13 Water Demand
vs. 10Yr Average -- CY02-CY12



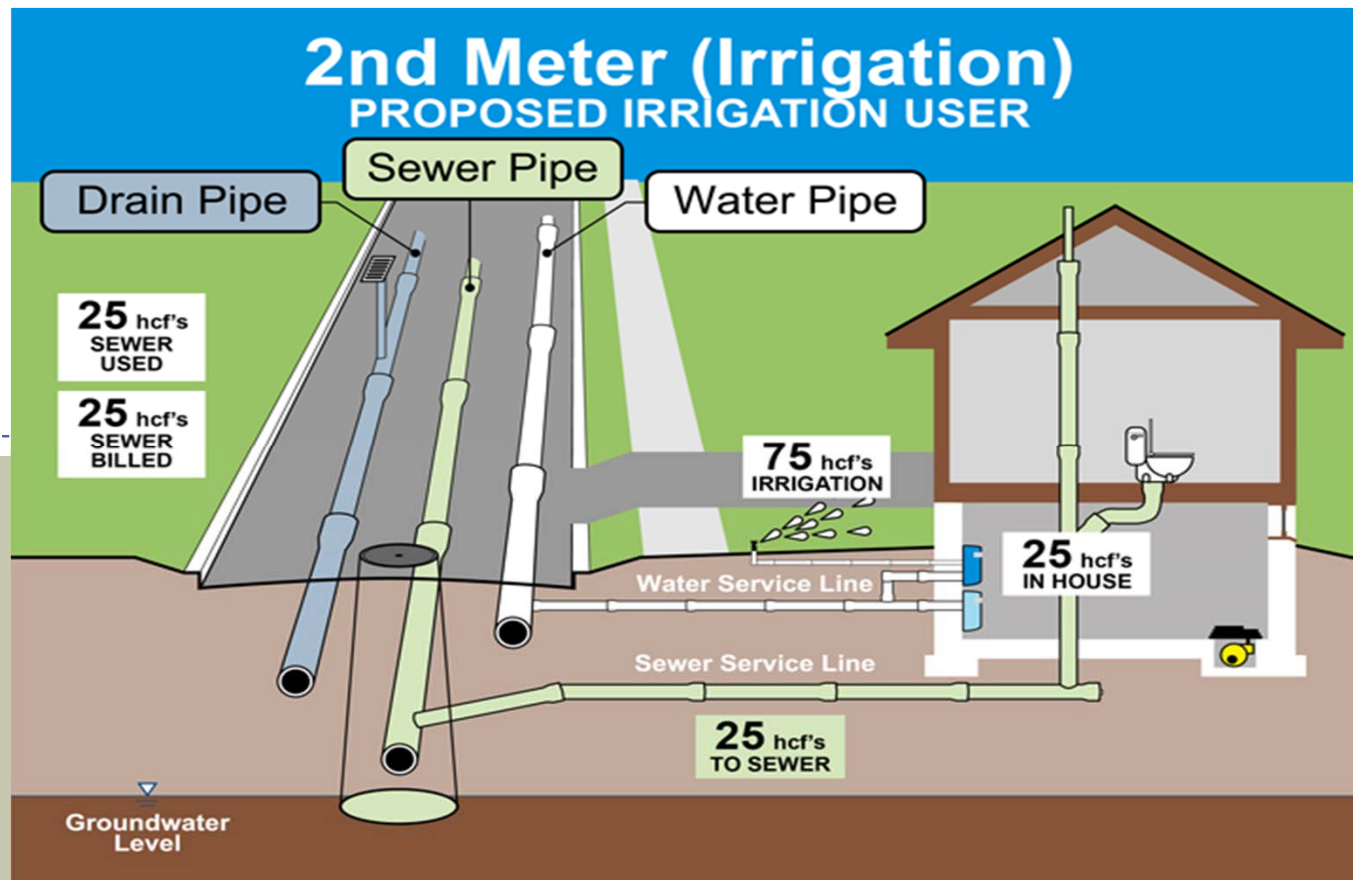
Water/Sewer Rate Restructure



- **Problem - Sewer Billing Fairness**
 - Sewer bill is based on water usage
 - All water currently assessed sewer charge, including irrigation water usage that does not go into sewer

- **Solution - 2nd (Irrigation) Meters**
 - Separate metering for water used outdoors
 - Water measured with 2nd meter is not charged for sewer

 - ~20% of sewer billing is “irrigation” water
 - Necessary revenue to be raised stays the same
 - Requires readjustment of rates



Scenario #3

Future resident, 2nd meter
Uses irrigation 1/2 year

25 hcf's/2 qtr; 100hcf's/2 qtr
250 hcf's/yr water
100 hcf's/yr sewer

	Quarter	Annual
Water		
Sewer		
Total		

Revised Sewer Structure

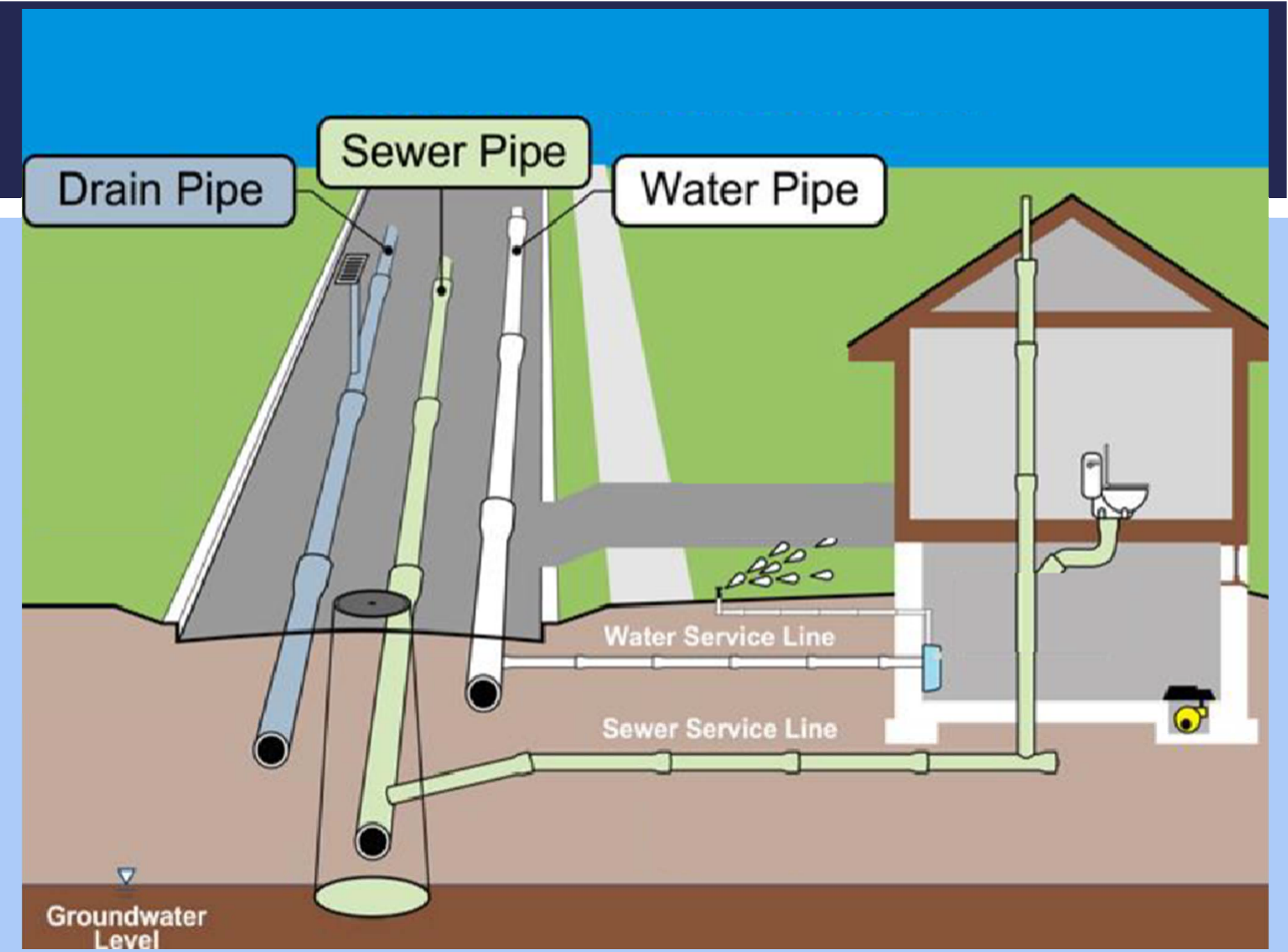


Scenario #1		Quarter	Annual
Current resident	Water	\$ 152	\$ 608
No irrigation use	Sewer	\$ 224	\$ 896
25 hcf's/qtr; 100hcf's/yr	Total	\$ 376	\$ 1,504
Scenario #2		Quarter	Annual
Current resident	Water	\$ 719	\$ 1,742
Uses irrigation 1/2 year	Sewer	\$ 1,061	\$ 2,570
25 hcf's/2 qtr; 100hcf's/2 qtr	Total	\$ 1,780	\$ 4,312
250 hcf's/yr			
Scenario #3		Quarter	Annual
Future resident, 2nd meter	Water	\$ 719	\$ 1,742
Uses irrigation 1/2 year	Sewer	\$ 224	\$ 896
25 hcf's/2 qtr; 100hcf's/2 qtr	Total	\$ 943	\$ 2,638
250 hcf's/yr water			
100 hcf's/yr sewer			

WATER, SEWER, AND STORMWATER

City of Newton, Massachusetts
Setti D. Warren, Mayor
December 3, 2014

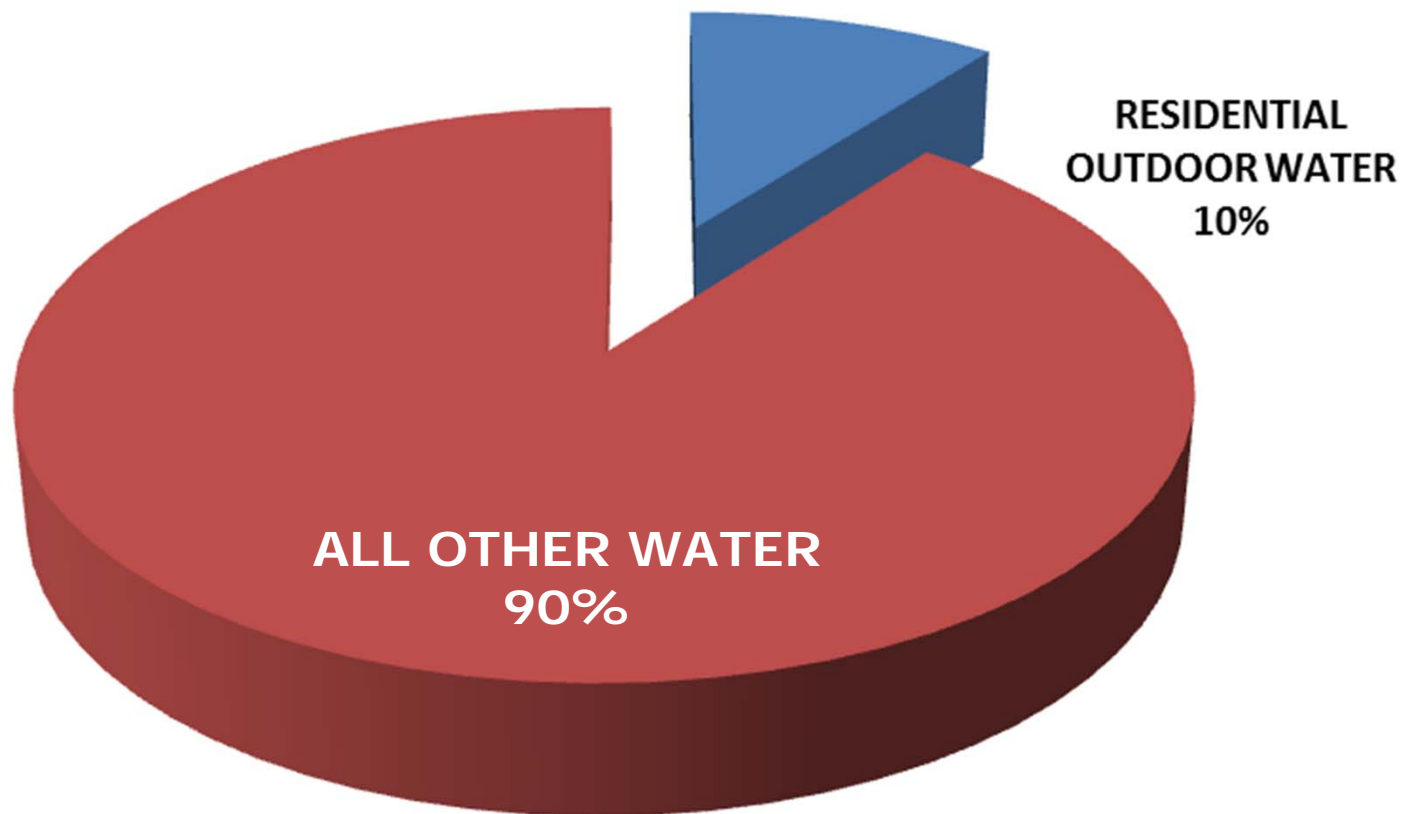




OUTDOOR WATER METER OPTIONS

- DO NOTHING
- ALLOW OUTDOOR METERS FOR RESIDENTS ONLY
- ALLOW OUTDOOR METERS FOR ALL PROPERTY OWNERS
- ALLOW OUTDOOR METERS FOR RESIDENTS ONLY BUT ASSESS A FIXED SEWER FEE ON THOSE METERS

Residential Outdoor Water ≈ \$3,000,000 of Sewer Revenue

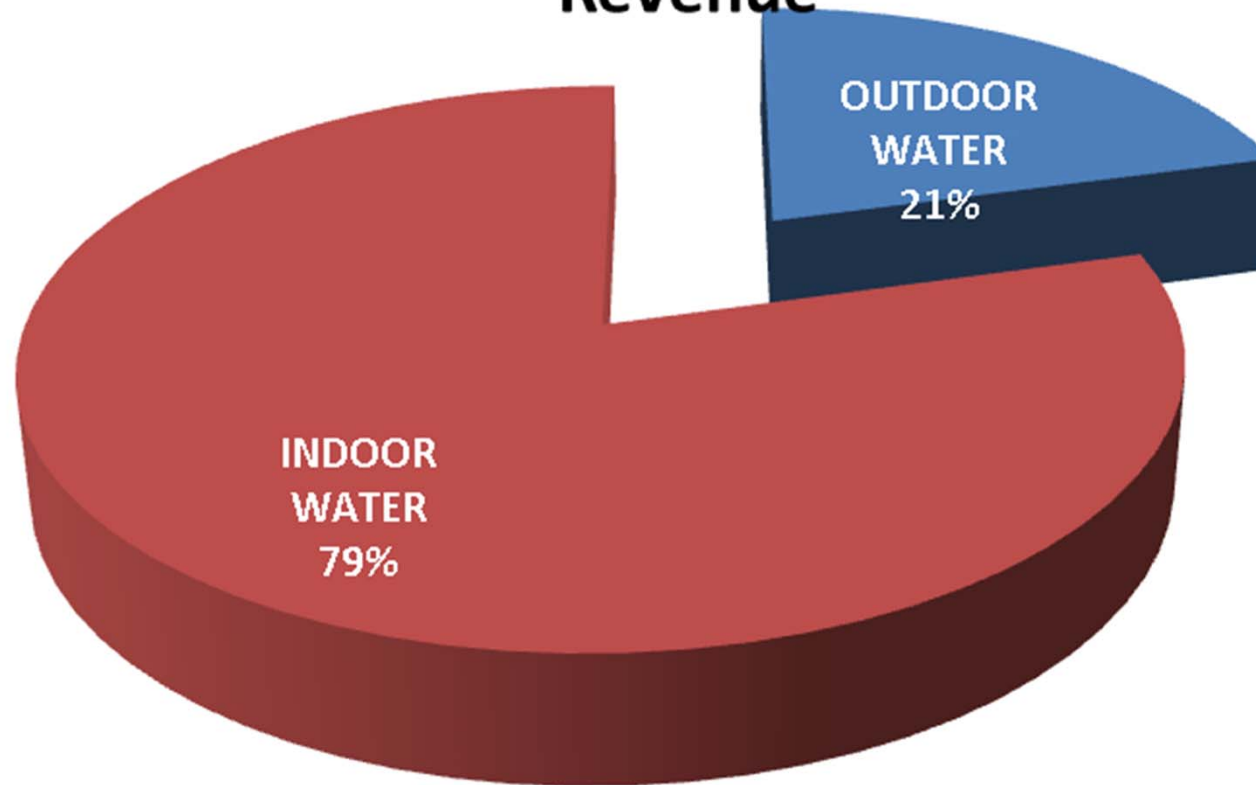


OUTDOOR WATER METERS RESIDENTS ONLY

- ❑ 10% POTENTIAL SHIFT
- ❑ ≈3,500 RESIDENTS BENEFIT
- ❑ CREATE MICRO TIER – FOR SMALL WATER USERS – with lower rates
- ❑ CREATE IRRIGATION TIER FOR ALL OUTDOOR WATER – HIGHER RATES
- ❑ IRRIGATION TIER WILL BALANCE SOME OF THE SEWER COST SHIFT

RESIDENTIAL AND COMMERCIAL ≈ 650,000 HCF'S OR 21%

Outdoor Water = \$6,700,000 of Sewer Revenue



OUTDOOR WATER METERS RESIDENTIAL AND COMMERCIAL

- ❑ 21% POTENTIAL SHIFT
- ❑ ≈6,000 PROPERTY OWNERS BENEFIT
- ❑ CREATE MICRO TIER – FOR SMALL WATER USERS – with lower rates
- ❑ CREATE IRRIGATION TIER FOR ALL OUTDOOR WATER – HIGHER RATES
- ❑ IRRIGATION TIER WILL BALANCE SOME OF THE SEWER COST SHIFT

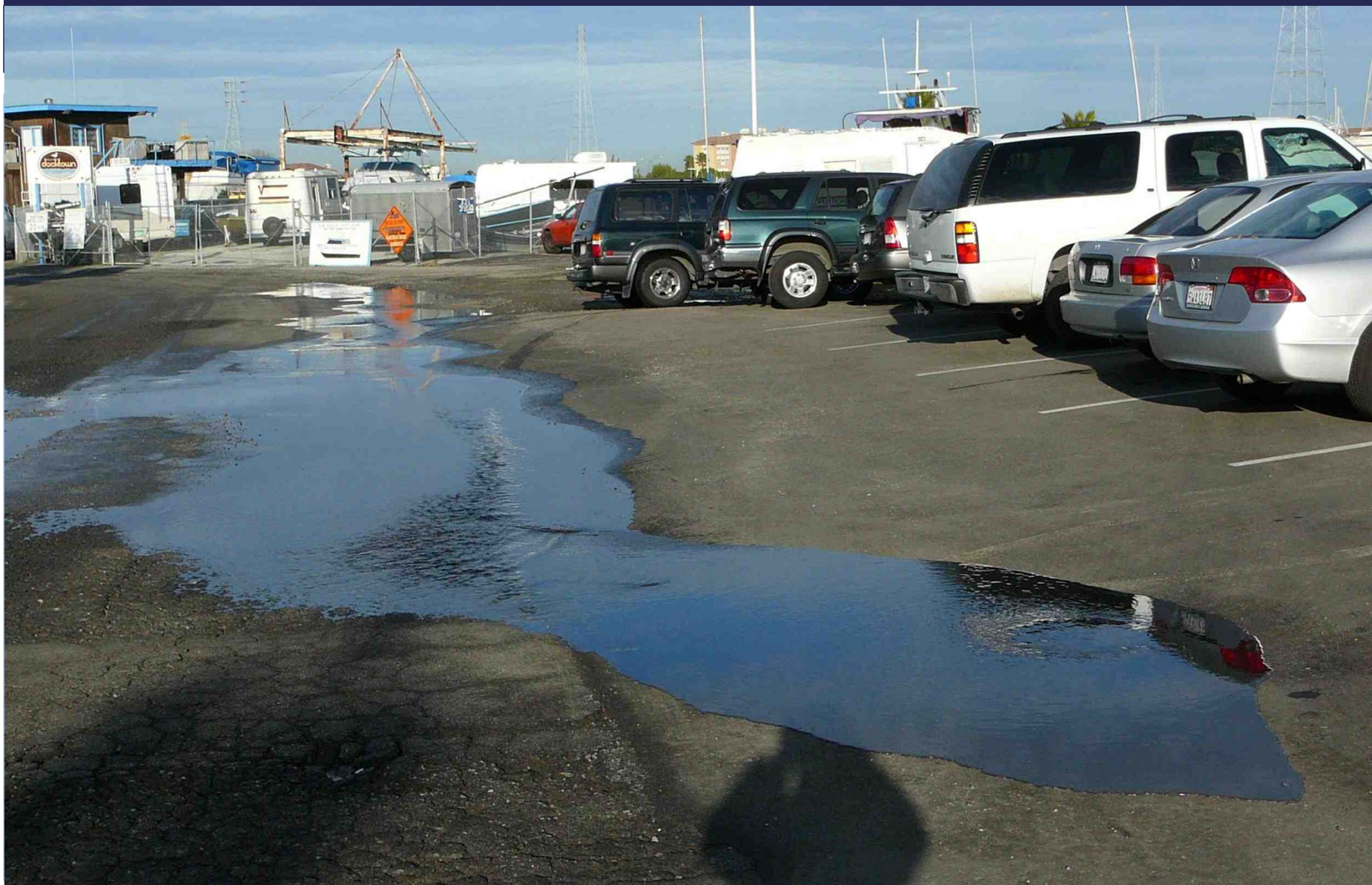
OUTDOOR WATER METERS RESIDENTS ONLY WITH FIXED FEE FOR SEWER

- ❑ 5 - 6% POTENTIAL SHIFT
- ❑ ≈ 1,500 - 2,000 RESIDENTS BENEFIT
- ❑ CREATE MICRO TIER – FOR SMALL WATER USERS – with lower rates
- ❑ CREATE IRRIGATION TIER FOR ALL OUTDOOR WATER – HIGHER RATES????

- ❑ CHARGES OWNERS OF 2ND METERS TWICE FOR FIXED COSTS

STORMWATER

Stormwater Overview



CULVERTS & BROOK WALLS



FLOODING



#455-14 & 456-14



Stormwater Overview



STORMWATER OVERVIEW

Impervious Area Breakout:

Customer Class	Approximate Impervious Area	Cost	%
Residential	73,000,000	\$25	65%
Commercial	20,000,000	\$150	18%
<u>Tax Exempt</u>	<u>19,000,000</u>	<u>\$150</u>	<u>17%</u>
Total	112,000,000		100%

POTENTIAL STORMWATER RATES

IMPERVIOUS SQ FT

1 - 7,499 sq ft

FEE

\$75

7,500 - 14,999 sq ft

\$150

15,000 - 24,999 sq ft

\$300

25,000 - 49,999 sq ft

\$500

>50,000

\$1,000

PROPOSED STORMWATER RATES

IMPERVIOUS SQ FT

1,000 – 4,999 sq ft

FEE

\$65 - \$75

5,000 – 14,999 sq ft

\$150

15,000 – 24,999 sq ft

\$500

25,000 – 49,999 sq ft

\$500

>50,000

\$1,000

CITY OF NEWTON
IN BOARD OF ALDERMEN
PUBLIC FACILITIES COMMITTEE REPORT

WEDNESDAY, OCTOBER 1, 2014

Present: Ald. Crossley (Chairman), Lennon, Albright, Gentile, Danberg, and Laredo; absent: Ald. Lappin; also present: Ald. Baker, Blazar, Fuller, Johnson, Leary, Norton, Rice, and Yates
City staff present: Maureen Lemieux (Chief of Staff/Chief Financial Officer), David Turocy (Commissioner of Public Works), Lou Taverna (City Engineer), Rob Symanski (Financial Analyst), and Jack Cowell (Capital Analyst)

#131-13 ALD. CROSSLEY, FULLER, SALVUCCI, JOHNSON, CICCONE requesting periodic updates and discussion, at the discretion of the members of the Public Facilities Committee or the Commissioner of Public Works, on the condition functioning, operations and management of all elements of the City sewer, water and storm water systems including the following:

- Water meters
- Implementation of the ten project area strategic plan to remove infiltration in the City sewer system
- Implementation of the long range strategic plan to repair and replace City water mains, especially to correct for fire flow
- Status of the City's Private Inflow Removal Program to resolve and disconnect illegal storm water connections to the City sewer system
- Current billing practices
- Rates analyses needed to facilitate an informed comparison of billing options to include the following options either alone or in combination: seasonal rates, second meters, tiered rates, frequency of billing, low income credits. [03/23/13 @ 11:13 AM]

ACTION: **HELD 6-0**

NOTE: Chief of Staff Maureen Lemieux and Commissioner of Public Works David Turocy provided the attached PowerPoint presentation on the City's current water and sewer rate structure and a restructure of the water and sewer rate system that includes a rate tier for water used for outdoor use, like irrigation.

Commissioner Turocy explained that the utilities budget is critical to the City. The utilities budget MUST BE self-sustaining, which means that the City must raise enough funds through the water sewer rates to fund that budget. The City charges water rates based on the actual hundred cubic feet (HCF), of water used as captured by each property's water meter. One HCF is equal to 748 gallons. The sewer rate charges are more complicated, as there is no way to measure individual property sewer use. The City currently charges property owners sewer assessments based on their water usage during July and August whether the water used makes its way into the sewer system or not, which does not seem fair. The Administration is aware that there needs to be a change to make the rates more equitable through new rate structures and the

addition of second water meters to measure outside water that does not enter the sewer system; therefore, should not be subject to a sewer use charge.

The presentation provided information on what most property owners currently pay for water and sewer and how much water most properties use. 80% of the city's customers or property owners use less than 125 HCF's and pay less than \$2,000 a year for water and sewer, which means that 44% pay between \$1,000 and \$2,000, and 36% of property owners pay less than \$1,000. 63% of the City's water customers use less than 90 HCFs per year.

When looking at restructuring the rates, the Administration took into consideration the need to generate enough funding for the Utilities Division operations, fairness to rate payers including the small users, and promotion of water conservation. The Administration looked at three options for a new rate structure and determined that a tiered structure for water and sewer rates is the most viable. By going with a tiered structure, the City can provide some protection to the small user, apportion capital costs, and still promote water conservation.

It is important to remember that the City must fully fund the water and sewer budgets through its rates whether OR NOT the City offers a second water meter. If a second water meter is allowed and fully implemented, approximately \$6.7 million in sewer fees, now collected based on outdoor water usage must be recaptured through adjustments to the sewer rates.

The Administration has calculated that approximately 6,000 property owners would benefit from installing a second meter. It is not expected that all 6,000 owners would install the second meters immediately but the presentation provided details on the impact to the sewer budget if all of the 6,000 customers installed the second meter in the first year. In addition, there was information included that illustrated the impact if the 1,000 largest water customers switched to the second meter in year one. **It is impossible for the Administration to know how many property owners will opt to install the second water meters and whether they will decide to install in the first year or wait.** Chief of Staff Maureen Lemieux informed the Committee that it is her intention to add a calculator to the City website that will allow property owners to determine if they will benefit from a second meter.

The restructured tiers would include the addition of two tiers. A micro-tier (lowest) rate would be applied to the first 0-10 HCFs of usage for every property owner, and a separate (highest) tier rate would be applied only to metered outdoor water use. The rates within the tiers would depend on how many property owners opt for second water meters.

The second water meter option and the restructure of the rate tiers would require ordinance changes. The option to install second meters and to add new tiers to the current rate structure for sewer and water needs to be approved by the end of the year or in January at the latest. Before the Administration can propose new rates it must understand the number of property owners that will be installing second meters for the next fiscal year and adjust the proposed rates to mitigate the impact to the sewer budget.

QUESTIONS & COMMENTS

1. Will there be any consideration of a tiered rate structure for the outdoor water? In order to understand whether to support second meters, need to be able to compare the rate structure that is being proposed, and you say that rates cannot be considered yet but they really need to be part of the conversation in order to understand the choice between what we have in some modified form versus adding the second meter model because it is very hard to say yes lets go to second meters and we will wait and see what the rate ought to be later without understanding what the impact of that is going to be. I remember doing an analysis of what the impact of the shift to second meters would have been several years back and it was quite substantial, in the sense of the savings that were effected but also there was a shift to other users. I hope that part of the analytic work will enable us to somehow compare apples to apples and understand what we are going to do as a shift, because to say to someone with a second water meter your water bill will go down if use water outside does not really tell people without a second meter how much their sewer bill is going to go up if we make this shift. It is important that the Board be informed about that shift in advance. (Baker)

The short answer is that if we lose 15% of the sewer revenue because people switched to second meters the City must make that loss up within the sewer budget. The City has to end up with the exact same amount of revenue whether second meters are implemented or not. By being able to lower the water rates a little bit and charging more for water that is going out the second meters, the city is able to somewhat soften the blow in customers' bills. There are additional slides in the presentation that detail the total impact of the second water meters and the proposed changes to the storm water fee.

2. Historically, one of the reasons that the sewer rates have stayed on the single meters is because a large part of the cost is not related to flow at all. It is a matter that has to be allocated somehow and the City has said that because there are fixed costs that are unrelated to flow, they will be recovered by putting them on the water bill. The second water meters are a major policy shift and it does mean that when people say "I am paying for things that are not flowing in the sewer" that is true but the City as a whole is paying for a lot of costs that are not flowing to the sewer because of the way the sewer bill is handed to the City from the Massachusetts Water Resource Authority (MWRA). I think it is important to understand what the impact of that piece of it because so much of it is not flow related. (Baker)

3. What does strength of flow mean as it relates to sewer? (Albright)

It is related to composition and types of solids in the sewer flow. The reason that there is a portion of the MWRA assessment associated with strength of flow is to capture the cost of material put into the sewer by communities with a significant amount of manufacturing. The material associated with manufacturing requires

much more treatment than sewerage generated by the average residential household.

4. The city assumes that its low water users are also the low sewer users, is that a comfortable assumption? (Albright)

Yes

5. Is there any consideration given to providing sewer and water bill discounts to people who participate in federal and state programs that provide assistance? Does the City offer any discount based solely on income? (Yates)

The Administration expects to keep the same discount structure that it currently offers in place with the new rate structure. The City does not offer any discount based on income but Commissioner Turocy will investigate to see if that type of discount is allowable.

6. What is the average strength of flow assessment in other communities? (Danberg)

The City Engineer does not have the information readily available but can provide later.

7. What is the break even in terms of the cost of installing a second meter compared to generated savings in utility bills? (Danberg)

About 6,000 accounts would benefit from the switch to second meters. The estimated cost of installing a second meter is \$750 but some properties will require more plumbing than others. If a property owner uses more than 25 HCFs per year, it would be about a three year payback.

8. Will there be any difference in how property owners who do not occupy their property on a full-time basis are charged? (Danberg)

There is no consideration or impact if a property owner is a part-time resident. The charge for the water/sewer use will reflect the exact use per quarter.

9. I take it that if you are a heavy (manufacturing) user, you are not paying a higher rate due to the fact that you are contributing to the "strength of flow", is that correct? (Laredo)

That is correct because the City does not know that and cannot measure that on an individual basis. It is really a communitywide basis. Certain users contribute more to the City's flow rate and the City is not able to assess differently.

10. I would like to have a better understanding of what the utility discount programs are, why they are established that way, what the logic is behind it, what the cost is to the other rate payers by offering it. If we are examining this, we ought to look at that and try to understand the rationale behind it. (Laredo)

The information will be provided.

11. I think we should pay attention to the question Ald. Baker posed. I think that is the fundamental one about switching the way that the policies work. It is the one that is an aldermanic big picture policy question. The shift in my mind makes sense but it should be talked through. Fundamentally, we have a water enterprise fund that is completely separate from a sewer enterprise fund. For years now, the City has been co-mingling how the City pays for things in those accounts. The fees that are charged for sewer should be related to the sewer usage and for years the water used outside has been included in the sewer usage fee. It is inconsistent and not how fees are supposed to be charged but this shift is a little bit painful as people adjust to what is a more correct way of charging fees. What is so elegant about the way that the new rate structure is designed is that there is an understanding that water use is water use and sewer use is sewer use but the small user has been taken into consideration. I think the whole water conservation thing is important. The fee for the irrigation water is also the other one we should return to. It is a really tricky one. Should folks who use a small amount of water outside pay less than people who use a lot. Should the City be charging one flat rate for outside water to discourage everyone to conserve water or should the City be sensitive to people who use a small amount of water outside. Those are the two things to sort through, discuss, and debate. (Fuller)
12. I like that there is a premium on the water for outside usage because that is the non-conservation aspect of the City's water usage. (Albright)
13. The challenge is that the City aggregated and disaggregated and is now proposing to aggregate again. If there were a way to measure how much actually went down the sewer and you had a sewer meter opposed to a water meter, we would have a sewer rate tied to use and everyone would say that is fair even though population and flow play into the sewer rates. There needs to be a mechanism for assessing that and you could just say that the sewer cost is partially a City cost because it is a population cost. We assess a chunk of the sewer cost to the taxpayers and we would put a piece of it that represents flow on a sewer meter if we had them and that conversation gets very messy. The advantage of the current system is that it said that the City cannot get at what sewer flow is but we can get a proxy for it by looking at the water that comes in and the assumption is that some of it will go down the sewer and be charged and the customer will pay a portion of that. I am not willing to take the Commissioner's characterization that our current system is unfair. It is a system that allocates some of the costs that are fixed and unrelated to flow all over the City based on the water use. It is not an ideal system, necessarily, but the problem is whether it is better than the alternative. If you think a second meter is really a good idea, you need to remember that there are sewer charges that are going to be picked by

everybody that are not flow related. The City is saying that it is going to make it more expensive for everybody who does not have a second meter on their sewer charge because you have got that big chunk of \$9 million that you have to recover but we think that your water use is going to go down so you are going to be somewhat less worse off than you might have been. Part of the challenge is figuring out who is going to be less worse off and how much are they going to be less worse off and where does this outside meter rate go. I tend to agree with Ald. Albright, if we do go to that there ought to be a sense that the outside use is not a preferred use. The irony is that there may be internal uses that are not conserving at all because of the way people use it but we have at least made the distinction between what you might call household and life use as opposed to more of an amenity use. I think that it is very important to not lose sight of the fact that we are using the existing water rate as a proxy for allocating the sewer costs, which are not flow related and so if we go to a situation that puts all of those on somebody because of their water use in one case and not on water use in another case, we are still not doing exactly what the system is doing to the City, which is imposing costs that are not flow related on everything. (Baker)

14. Earlier this evening, heard that this was not a discussion on rates but it is turning into that. I understand why people want to do that but I think that is premature and the first issue the Aldermen need to decide is whether or not to go to a second meter system. As everybody knows, the Board plays a major role in the setting of the rates, and there will be plenty of time to have that discussion. The Aldermen are going to have to get some knowledge of how this is all going to work if we go to work if we go to a second meter. If we are going to get this done in the timeframe that has been laid out, we are not going to have all the information that we hope to have and I hope it does not turn into that. To me, either you are comfortable with the current system as it is or you believe that it is unfair and therefore I assume you would vote to go to a second meter. I hope we are not going to get bogged down talking about every piece of minutia. I for one am sick and tired of being asked when we are going to take some action on this. I think the Board needs to bear down and decide whether to go to the second meter or not and deal with the rates, as the Board sets them. (Gentile)
15. How would second meters and a new rate structure impact municipal buildings and the budget? (Leary)

Right now it will be about a \$90,000 increase to the municipal operating budget that is as much due to the sewer costs that would increase because some of the City's buildings use a significant amount of water indoors, like the schools. this as well assumes the impact as a result of changes to the storm water rates. The whole package will have a significant increase to the general fund budget for the City but the revenue then goes back to the enterprise funds. The City will be putting in second meters in every building.

16. Could you provide information from other communities that have converted to second water meters that includes the process, what they learned, and what they feel are best practices? (Johnson)

The Administration will provide the requested information. The Commissioner gave a rough estimate that about half the MWRA communities allow second meters.

17. This is new to some Aldermen. I think the problem we need to solve is to think through the rate structure because if we make a decision to go to second meters we are creating a constituency, who are going to come to us looking for a situational advantage and certainly anyone that is in the business of installing outside irrigation systems is going look at this as an opportunity. We really need to understand what the rate impacts are going to be before we go to second meters. I think it is a big mistake to try to make the decision on second meters without understanding what the impacts are going to be, because people are going to ask us. (Baker)

It is the Water/Sewer Working Group and the Administration's intention to get as much information to the Board as members need to make the decision about restructuring the rates. Some of that will involve showing scenarios about impacts to the rates. The final rates will not be set until the Board has decided to do the second meters and the City knows how many second meters will be installed for the next Fiscal Year.

18. The Board is not going to know the exact impact of going to the second meters until people have second meters and the City understands the usage. The City will be adjusting its rates for probably the next several years. (Gentile)
19. It seems it would be very helpful to talk to municipalities that have second meters to determine what happened to their rates when they went with the second meters and how many people converted. (Blazar)

#153-13 PUBLIC FACILITIES COMMITTEE requesting periodic updates on the progress of the citywide storm water system assessment needed to define the scope of repairs to the system, as well as methods of financing the assessment and an accounting of the storm water enterprise fund. [04/02/13 @ 11:02 AM]

ACTION: HELD 6-0

NOTE: Chief of Staff Maureen Lemieux and Commissioner of Public Works David Turocy' presentation included the attached slides proposing a restructuring of the storm water fee based on impervious surface. The City was one of the first communities to establish a storm water fee in 2006. It is now a fixed fee of \$25 per residential property and \$150 for commercial properties, which generates \$750,000 annually for the storm water budget. The storm water revenue is used to support a 6-person crew, storm water operations and originally to provide \$150,000 in capital funds; however, the fund is currently insufficient to cover these costs. In addition, a goal is to more carefully account for separating storm water and sewer operations in

the budget. The Administration would like to increase the storm water fee to cover operations as well as to fund capital needs. In addition, the Environmental Protection Agency is implementing a new permit program that will increase operational costs.

The City is currently awaiting completion of a storm water infrastructure assessment being performed by Weston & Sampson that will provide the City with what infrastructure repairs are needed and what the capital costs are for those repairs. Weston & Sampson has completed the field work needed for the assessment and provided an Executive Summary that was attached to the agenda. The intention is to develop a multi-year plan to address the infrastructure needs similar to the sewer and water capital plans. The City will prioritize the storm water capital projects and will likely begin by addressing flood prone areas of the City. It is expected that in order to address the storm water capital needs the City will need to generate \$2.3 million per year in revenue over multiple years.

The Administration would like to base the storm water fees on impervious surface area. Impervious surface is any material or structure that prevents water infiltrating into soil to do this the proposal is to have a fee based on Equivalent Residential Units (ERU). An ERU equals 2,600 square feet. The City has the data necessary to calculate impervious surface for each commercial or tax exempt property in the City.

In order to generate the needed \$2.3 million in storm water revenue the Administration is proposing an increase from \$25 to \$60 for a single family residential property. For commercial and institutional (tax exempt) properties, the proposal is to charge \$60 for the first ERU plus \$25 per each additional ERU – instead of the flat \$150 fee. By increasing the rates, and charging by impervious surface area, the City will generate enough funding to run the storm water operation and fund \$1 million in capital projects. The Administration is planning on providing notice to all commercial and tax-exempt properties well in advance of any implemented change to the rates.

The Administration intends to work within its commitment to only increase utility rates overall 3.9% per year. The restructuring of the water, sewer and storm water rates have been evaluated and meet that commitment. The presentation included the estimated overall impact of the proposed total rate restructures to property owners. 87% of property owners will see less than a \$200 increase and 63% will see less than a \$100 increase in their utility bills. The City has saved significantly on the MWRA sewer assessment as a result of all of the work done to reduce infiltration into the system. Those savings have mitigated some of the impact to the rate payers. It was pointed out that the figures are all based on 2015 rates.

The Administration is planning on having additional discussions in the near future on both rate restructure proposals but really needs to know whether the Board would like to move forward with the second water meters and the rate restructures for water, sewer and storm water. The sense of all the Aldermen present was that they would like the Administration to proceed with the proposals. The Administration will return in November with the answers to questions, draft ordinance language for rate restructures, strategy for public outreach and any other further information.

QUESTIONS & COMMENTS

1. It seems to me that the Administration is trying to tie storm water into the discussion on the water/sewer rate structure discussion from an overall rate increase perspective. I personally would separate out the discussion. Here is why – It seems to me that we have an unmet need in the storm water side that is being quite clearly illustrated by some of the work we are doing. It is a very substantial need and an extremely compelling need and a need that has to be met irrespective of what the City does with the water and sewer rates. It seems to me the water and sewer rates are an argument about various aspects of fairness. The storm water is different. It is a need that we have identified that we have not taken care of that we need to devote a significant amount of funds. I am not sure that the number (\$2.3 million) while a vast increase over what we are doing is going to be nearly enough. I for one would be completely supportive of raising the rates to almost whatever we need to do within reason to start getting this work taken care of. We have done such a good job on the water and sewer piece in terms of starting to make improvements and are reaping rewards from that. I am concerned about tying the different rate structures together. I am concerned that we are not allocating enough money to the storm water infrastructure. (Laredo, Baker)
2. If we start putting more money into storm water what is that going to do to our plans for the water and sewer infrastructure? (Albright)

It would not impact it at all. As the Board is aware, the City has accelerated its sewer work because of the success. Where the City is able to pick up the delta is that the City's MWRA assessment has not been increasing at the forecasted amount and because of that the City can repurpose those funds to storm water. The issue with all of the capital work is that the City is bound by how much street work it can do in one construction season.

3. Please describe the abatement process for the storm water assessment fee? (Crossley)

There will be an abatement process for storm water depending upon how much of the storm water is captured and/or treated on site.

4. The city will need to determine how to fund and the timeframe that is appropriate to address the storm water infrastructure once the assessment is complete. The City will need to evaluate as it moves forward. Newton is also in line for significant MWRA grants and loans in the next few years.
5. Is there any way to include citizens in projects for storm water infrastructure? (Yates)

Yes, in the aspect of the EPA permit requirements. The City and conservancy groups will be providing information on what citizens can do on private property but the types of physical work needed is beyond what is normally done with volunteers.

6. I understand why Ald. Laredo raised the point he did on the storm water and the possibility of increasing the fees even more. I just happen to think that we need to stick to the plan we outlined for our constituents a few years back and I don't think it is going to be so hard to raise the money we need for storm water because of the success that we are having with our sewer program. In addition, I understand why we have to restructure the storm water rates. I just want to remind everyone that since we started talking about this I and a few other have stated that we really need to have a public hearing outside of our regular setting of rates because it is going to be quite a shock to some of our commercial and non-profits. (Gentile)

The Administration has not identified the timeframe yet. The Administration is waiting for a sense of how the Board of Aldermen would like to proceed with both the storm water fees and the second meters before determining how to get information out and do outreach to residents, businesses and tax exempt organizations.

7. Storm water improvements are so long overdue. I would be interested to hear, once you start talking to the larger commercial users, about their reaction the tremendous opportunity for mitigation. Also think you need to stress to people the tremendous water quality improvements you will see in our local waters. (Leary)

This \$30 million or so we may need to repair infrastructure will need to be paid for by someone, so while it is nice for large commercial properties to mitigate storm water, they will get huge abatements for it and drive the rate up for residential properties. The Administration may need to look again at the abatement program and reassess whether the abatement is too much. There are a number of conversations that still need to happen.

8. The City needs to take into account the years that commercial properties and tax exempt properties that have created storm water problems. I would advocate looking at the impact and talking to business regarding mitigating down the road. I think we have some stuff to do before we get to that point. I would like people to think about that in terms of the bigger picture (Johnson)
9. Are there any grants available for storm water work?

The Commissioner is not aware of any programmatic grants like the MWRA offers but the Administration does look for those opportunities. The City currently has a FEMA grant for \$500,000 for storm water. There is not a lot of grant fund available right now for storm water but opportunities may grow.

If there are any further questions for the meeting in November, they should be forwarded to Committee Clerk Shawna Sullivan in the next week or two. The Committee adjourned at 9:25 PM.

Respectfully submitted,

Deborah Crossley, Chairman

CITY OF NEWTON
IN BOARD OF ALDERMEN
PUBLIC FACILITIES COMMITTEE REPORT

WEDNESDAY, NOVEMBER 5, 2014

Present: Ald. Crossley (Chairman), Lennon, Brousal-Glaser, Gentile, Danberg, Laredo, and Lappin

Absent: Ald. Albright

Also present: Ald. Johnson, Norton, Leary, Fuller, Hess-Mahan, Baker, and Yates

City staff present: Maureen Lemieux (Chief of Staff/Chief Financial Officer), David Turocy (Commissioner of Public Works), Lou Taverna (City Engineer), Rob Symanski (Financial Analyst), Jack Cowell (Capital Analyst), Keith Nastasia (Utilities Director), and Rob Garrity (Director of Sustainability)

#153-13 PUBLIC FACILITIES COMMITTEE requesting periodic updates on the progress of the citywide storm water system assessment needed to define the scope of repairs to the system, as well as methods of financing the assessment and an accounting of the storm water enterprise fund. [04/02/13 @ 11:02 AM]

ACTION: **HELD 7-0**

NOTE: The Chairman continued the discussion from October 1, 2014 on restructuring the storm water rate fee. At the previous meeting, the Committee discussed the possibility of restructuring the storm water rates based on Equivalent Residential Units (ERU). An ERU is equivalent to 2,600 square feet of impervious surface, which is the average impervious surface of a single-family residential lot. The previous discussion included the proposed storm water fee for residential properties, which would be somewhere in the neighborhood of \$65. For all other properties, including commercial and tax-exempt properties, the storm water fee would be approximately \$65 for the first ERU plus \$25 for each ERU thereafter. The new rates would help fund the much-needed improvements to the City's storm water infrastructure.

There is now new information available that impacts how the City would implement a storm water fee based on specific ERUs. Chief of Staff Maureen Lemieux explained that the current Geographic Information System (GIS) data that the City would use to calculate ERU to bill for the storm water dates back to 2005. In the past nine years, new development in Newton has changed and it is not possible to get an accurate reflection of exact impervious area without updated GIS data. The City expected to receive new GIS data through the State's aerial survey project, but this was put on hold. The Administration was counting on receiving the new GIS data to accurately develop the number of ERUs for commercial, industrial, and institutional properties. The Administration does not want to move forward with a new storm water rate based on exact ERUs without current GIS data.

The Law Department has been in contact with the Department of Revenue to determine what type of latitude the City has in terms of structuring the storm water fees. The City is fairly

constrained but it appears that the storm water fee could be a tiered system. The tiers would reflect flat charges for different ranges of impervious surface area on a lot, similar to the current water/sewer rates structures. The Administration has the data to implement this type of rate structure for Fiscal year 2016. The plan would be to implement this storm water rate structure in the interim between Fiscal Year 2016 and when the City gets updated GIS data. Although a storm water fee based on the exact number of ERUs of a property is more accurate, the tiered system based on impervious area is far more accurate than what the City has now. The Administration would like some direction from the Committee regarding whether to pursue the tiered rate structure for storm water. The Committee was supportive of the Administration continuing to investigate moving towards an interim-tiered system. Ald. Lappin moved hold, which carried unanimously.

Questions & Comments

1. What time of the year do flyovers happen? (Danberg) **Typically, flyovers are done in April when there are no leaves on the trees and no snow on the ground for the clearest aerial photos.**
2. Will the City be differentiating between properties contribution to storm water run-off in the drainage systems? For example, will there be a difference in the storm water fee if somebody lives at the top of a hill, his or her driveway slopes down, all of their storm water goes into the storm drain versus somebody that lives in a low-lying area, and all of the water goes down onto their own property? (Danberg) **No. Ms. Lemieux does not believe the City could possibly differentiate. There are hills throughout the City. There are more than 25,000 water and sewer accounts. In addition, it is unlikely that State statute would allow the City to treat the example cases differently.**
The Chairman added that if a property has installed any storm water mitigation, the property owner is eligible to apply for a credit on their storm water fee. The credit is based on the degree to which a property mitigates its own storm water and the method that is used to mitigate.
3. Will the City take into account any previous storm water mitigation done on a property? (Danberg) **Yes, the property owner would apply for storm water fee credits. The Administration and Board of Aldermen will need to reassess what the appropriate amount of storm water fee credits are for storm water mitigation. It will defeat the purpose of increasing the storm water rates to generate funding for storm water infrastructure improvements if the credits are too great and all of the properties with large amounts of impervious surface install mitigation systems.**

The Engineering Division stated that other communities offer a maximum credit of 50% not the 75% that is the City's maximum amount of credit. There are various methods and degrees of storm water capture for properties. It could be something as simple as a dry well to something as complex as a vortex storm water unit that captures, separates and treats the storm water. The credit percentage depends on what type of system is installed on a property. The Engineering and Utilities Divisions of the Public

Works Department determine the amount of credit for properties that have installed storm water mitigation.

4. How many special permits have required storm water mitigation on site? (Laredo)
Approximately 25-35 special permit applications are reviewed per year that require storm water retention over the past 10 years.
5. The abatement process that the City employs is a little troubling in terms of what standards are being used and how the City is making decisions on how to credit fees. It seems the City is acting in a quasi-judicial role. How is the City making the determination on whether to give a reduction and what percentage of reduction is appropriate? (Laredo) **This is another area that needs to be hammered out. Many of the commercial establishments in the City have never applied for the credit because it was only \$150. It will completely change when the City starts charging a higher storm water fee.**
6. How are the standards for credits applied uniformly across the board? In addition, these determinations will take staff time, which is not a good use of resources. Understand the need for accurate data before the fees are set but the fee and credit needs to be a simple system to avoid creating a huge administrative burden. (Laredo) **There is likely a State law that requires the City has to provide an opportunity for property owners to opt out of the fee. The current City policy and method for assessing storm water credits is attached.**
7. The Committee should get input from the Law Department regarding what the City has to do in terms of offering credits before going forward. (Laredo)
8. Could you speak to how the credits have encouraged large commercial properties in other communities to install storm water mitigation? **It is a worthwhile goal; however, there is not a lot of experience with storm water fees based on impervious surface in communities in the New England area. Most of the communities in New England have relatively small fees but are moving towards fees based on impervious surface. The Commissioner stated that in the long-term range one of the goals should be to encourage property owners to capture storm water on site.**
9. It is worth going back to the baseline, which I understand is to start finding a way to have the cost of the storm water that is carried through the City system appropriately borne by the property owners that are generating the storm water. It is important to understand the legal context of implementing a new storm water fee. The City needs more revenue in the system to try to repair the system and one way of dealing with that is to raise the fees and get more revenue. The City is also trying to encourage property owners to mitigate storm water by installing retention systems. Do the storm water fees and credits have to be linked? The City may want to consider a staged response, which is an increase of a modest size in the storm water fee to keep the money coming into the system in order to address the needed storm water infrastructure system and move to the more sophisticated credit related system because

it takes time for somebody to install a storm water retention system. I am wondering whether we are tied completely to the State fly over. Is there any reason why the City cannot do its own flyover and get its own data? (Baker) **There is no reason that the City cannot do its own flyover. The flyover probably costs around \$50,000. The comments regarding the revenue and credit process is a policy issue that the City is going to have to address no matter how the City goes about raising the revenue because if the City gives to many credits and if every property owner decided to put in a mitigation system, the City is still facing approximately \$28 million worth of capital infrastructure improvements to the storm water system. There is a real push and pull with how to increase the revenue and how to reward property owners for doing what the City wants them to do but in the end, the City still has to raise the revenue. It is a challenge.**

10. The City is in an interesting situation where it needs to bring in funds for storm water infrastructure repair now but the details for a new fee systems are still being worked out, which are very important. It is increasingly clear that the City really does want to switch to impervious surface as it is much more directly related to the amount of the fee. How does the city make the switch in a graceful and logical way when the City needs the money now? One option is to stick with the current system and raise the fees until the switch to impervious surface can be done cleanly. The other option is to do an interim tiered structure based on ranges of amount of impervious surface. The City also has a sweet opportunity right now. The City's costs on sewer are going down, so if there is an increase to residents on the storm water fee their overall costs for water, sewer, and storm water will stay at an appropriate level of increase. It makes it a good time to increase the storm water fee, as it would not be particularly painful. (Fuller)
11. I understand that but one of the interesting challenges is matching up who benefits under each scenario. I think to do the nuanced piece and understand the impacts really are going to take more time than the City may have right now. (Baker) **It is possible that the City can come up with an interim solution right now. The Administration has committed to not raising the fees overall more than 3.9% in the foreseeable future. If the City is keeping the overall fees at 3.9% and the City is getting very large grant/large loans for the sewer system in Fiscal Year 2015, the City has an opportunity to move the numbers around without increasing the total impact to a user but to have more in the storm water fund and less in sewer.**
12. How does the fly over work in terms of establishing an ERU based storm water fee. (Danberg) **The fly over is necessary to gather the impervious surface area for all non-residential properties. The fly over would collect data on all properties but the data regarding impervious surface area is only needed for non-residential properties.**
13. How does the City recognize storm water retention systems that were installed in the past? (Danberg) **See above answer**

14. I think there is an interim solution. I would hate this fee to be a stick and not a carrot. There are a lot of people who struggle these days. The City raises taxes every year. The water bills are going up. People use water in different ways and the City needs to respect that, so when we talk about fees we need to look at how we can have a carrot and how we can have a stick that will allow the City to generate sufficient revenue but offer reasonable opportunity to get a reduction in the storm water fee. (Johnson)
15. How much money is the City going to spend on storm water improvements? The Administration is making a policy decision that the total increase in utility bills is going to be 3.9%. Because of lower sewer rates, the City can spend more on storm water improvements but it is still a policy decision on the 3.9% increase. The City derives significant benefit from implementing the new fee structure. It may be worthwhile for the City to go above the 3.9%, if there are long-term goals the City wants to accomplish. The City needs to raise the money, what is the best way of doing that? One alternative is the flat, which is the most extreme. The other is the impervious surface model. If you go with the impervious model, how does the City make it fair and accurate? My feeling is that I would prefer to get to fair and accurate as quickly as possible but if we cannot do it this year, I would prefer to go with the tiered system in the interim. I am not thrilled with having fixed rates because I do not think they are great. It more important to me that the City generates the funds to do the necessary work and then fine-tune the adjustment for fairness down the road. I am concerned about the process for credits for storm water retention. (Laredo)
16. Does the City have all of the residential impervious surface information data? (Lappin) **The Administration has the data to implement this type of rate structure for Fiscal Year 2016.**
17. Could the City use specific residential data to calculate a storm water fee based on ERU for each residential property? (Lappin) **There is no intention of charging every different residential property based down to the minute number of impervious square feet and that is why the average was calculated. The City must have a universal figure to base the storm water fee according to state statute, which requires a standardized unit of measure to base a fee on. The plan is to charge all residences one ERU. Every non-residential property is going to be charged based on the number of ERUs. The City can charge one rate for the first ERU and a different rate for every ERU thereafter. The City could not charge a certain rate for a residential ERU and a different rate for a commercial ERU. The intent is for every residential property to be charged at whatever the cost of the first ERU is.**
18. A tiny house will pay the same amount as some huge house. This does not seem to fall under fair and equitable. **If you think about it, the City of Newton has over 300 miles of roadways. I would presume that most of the City's storm water discharge is coming from the roads. All of the residents of the City use the roadways. The City does not assess the roadways. There is a basic cost to managing the storm water infrastructure, which serves everyone.**

19. The interim tiers are based on ERUs? (Lappin) **The tiers are still a work in progress to determine what the City can do. The City should be able to have a residential tiered system. The tiers for the coming year (FY16) would be based on a range of impervious surface area, not an ERU. For example, for either non-residential or residential if you have less than 10,000 square feet of impervious surface you pay \$75, if you have somewhere between 10,000 and 50,000 square feet of impervious surface, you pay \$150, if you have between 50,000 and 250,000 square feet of impervious surface, you pay \$1,000. The City already has the necessary data to implement the tiered system.**
20. Please provide a sample of what the tiers look like and examples of how it would impact residents and businesses. In addition, please provide a timeline for a City funded flyover, the cost of the flyover and if would make sense to do it with other communities. (Lappin)
21. The City could charge residents based on ERUs, once a flyover is done, which is really worth discussing. (Fuller)
22. If the City does an interim tiered system, how dramatic would the fee be for the average resident? (Brousal-Glaser) **Right now, the residential fee is \$25 a year. The expectation is that the fee will land between \$75 and \$85. If the City moves in the direction of second meters, there are two key things. If the City creates a micro-tier, it has the opportunity to protect the smaller consumer and there would need to be a determination on what to charge for the irrigation tier. Should the irrigation tier be at least equal to the dollar value of the highest water tier? If those things happen, the City would be able to lower the water bill for the smaller user because the irrigation water rate will be higher. Everybody's sewer rate needs to increase a bit because we are assuming that we will have up to 10% of sewer costs no longer able to be charged and then we would have this storm water piece. By the time we finish the entire package, the small user would not see more than a \$35 or \$40 increase for the year.**
23. There needs to be a clear plan for informing the community. (Crossley)

#131-13

ALD. CROSSLEY, FULLER, SALVUCCI, JOHNSON, CICCONE requesting periodic updates and discussion, at the discretion of the members of the Public Facilities Committee or the Commissioner of Public Works, on the condition functioning, operations and management of all elements of the City sewer, water and storm water systems including the following:

- Water meters
- Implementation of the ten project area strategic plan to remove infiltration in the City sewer system
- Implementation of the long range strategic plan to repair and replace City water mains, especially to correct for fire flow

- Status of the City's Private Inflow Removal Program to resolve and disconnect illegal storm water connections to the City sewer system
- Current billing practices
- Rates analyses needed to facilitate an informed comparison of billing options to include the following options either alone or in combination: seasonal rates, second meters, tiered rates, frequency of billing, low income credits. [03/23/13 @ 11:13 AM]

ACTION: HELD 7-0

NOTE: The Committee's discussion was a continuation of the Committee's discussion on October 1, 2014 on the possibility of offering second water meters for outside water use and how the water and sewer rates could be restructured if the second meters are allowed. If outside water meters are to be allowed, the City would lose the sewer revenue. The City must recapture that revenue in order to maintain a self-sustaining utilities budget; so would need to restructure the water/sewer rates. One of the restructuring options that the Administration investigated was to add two tiers to the current three-tier water rate structure. A micro-tier (lowest) rate that would be applied to the first 0-10 HCFs of usage for every property owner, and a separate tier rate that would be applied only to outdoor water use. The sewer rate structure would also include the addition of a micro tier for 0-10 HCFs of sewer usage for every property owner. The rates within the tiers would depend on how many property owners opt for second water meters.

The Administration is looking for direction on three key things for implementation of an ordinance that allows for second water meters. Chief of Staff Maureen Lemieux would first like to be sure that the Committee supports moving forward with allowing separate meters for outside water usage. Secondly, it is important to know whether there is support to move to a five-tiered system for water that includes a micro-tier for 0-10 HCFs of water usage and an irrigation water tier. Thirdly, there needs to be direction from the Aldermen regarding what rate should be set for the outside water use.

The Administration provided the attached chart of the current water and sewer rates and examples of the proposed water and sewer rates with the additional tiers. The handout also included examples of the impact on the bills for users who install a second meter and those who do not. The sample rates are based on the assumption that the 1,000 highest water and sewer accounts would install a second meter for outside water use in the first year. The chart sets the micro-tier rate at \$5.50 per HCF from 0-10 HCFs and the irrigation rate at \$9.50 per HCF used. The examples illustrate that the small user is minimally impacted and that the installation of a second water meter would provide a benefit for users that use more than 40 HCFs of water on outside use, when the cost of installing a second meter is factored into the savings.

There was a unanimous consensus in Committee that the City should include a micro-tier and charge the highest rate for outdoor water use in order to protect small users and encourage water conservation. Some committee members would like further information on the impact of second water meters before supporting it but felt that the Administration should continue to move forward with the implementation process because the Aldermen cannot vote on the item without all of the information. Ald. Laredo moved hold on the item, which carried unanimously.

Questions & Comments

1. I am troubled by the second meter idea because I feel like the sewers are for everybody and the water for irrigation, if there are second meters, should be at a very high rate. I think that ecologically it is a very strange message to send out to say, "Go ahead – green lawns are what Newton is pushing for here." For so many peoples rates to go up so that some people can water their lawn and not be charged the sewer fee seems troubling. I know that it is more nuanced than that but that as a general idea I have trouble with the second meters. (Brousal-Glaser)
2. The second meter piece needs to be thought through. In 1997 the Utilities Director was not in favor of the idea of second water meters because of loss of revenue, they do not promote water conservation, it would be hard to regulate and costly to administer. I am providing a copy of the Comptroller's Office analysis of total water consumption for the largest users in 1998 (attached). Chief of Staff Maureen Lemieux has an updated list that I hope she hands out. One of the challenges of this process is that the second meter beneficiaries may be a different class than you think they are. One of the questions that we really need to sort out is what is the impact of shifting to a higher rate for water users for those particular classes of use and shifting some of the burden to everyone else in the City. The other dimension of this is that flow a portion of the component of the sewer charge. Therefore, even if you want to treat outside water use differently almost half of the sewer fee is going to be a function of things other than flow. Part of the difficulty is that you have to take the non-flow cost and shift it around to other users in the system. It may make sense to give a partial sewer rate to the outside water used. The City really needs to determine who will benefit. I am not prepared to vote for second meters at this point. (Baker)
3. Is it possible to limit the use of second meters to residents only? (Gentile) **The Administration will find out and let the Aldermen know.**
4. If the City goes to a partial sewer charge, I may not be in favor of the highest rate for outdoor water but if there is no partial sewer charge, I am in favor of having the outdoor water at the highest tier. (Lennon) **The Administration has considered taking the fixed portion of the sewer rates and applying that to every user but the fixed portion is so large that the amount of money that would have to be appropriate to each user was substantial, which would really harm the smaller user. The City would almost have to create such a low fixed portion that it did not make sense because it was not really capturing anything; therefore, it was tossed out of the equation. The Administration has not done an analysis of applying a discounted sewer rate to the outside water because the data shows that water is not entering the sewer system.**
5. It would be useful to get the information regarding the possibility of only allowing outside meters to residential properties but I caution that even if the answer were yes, we would need

to think very carefully about if we wanted to do that. The City wants to be a welcoming community to our business partners as well as to our residential property owners. If you drive the businesses to put in wells for their irrigation, they are no longer buying water from the City. At that point, the City is no longer just losing the sewer charges but what those businesses would have contributed to pay for the fixed cost of the water side. We will need to look at second and third order consequences of what initially might be an attractive idea. (Fuller)

6. I think it is important to remember that people who have been using outside water have been providing relief to other people in the City. There has been a subsidy going on for many years. I would support a micro-tier and the higher tier for the outside water. However, I do not want the outside water rate to be so high that it creates a subsidy. Not every person that has an irrigation system is a multi-millionaire. (Johnson)
7. It would be helpful to understand how second meters would affect large commercial businesses and institutions. What are the relative shifts in costs? Will businesses and institutions see substantial savings if they install a second meter? (Baker) **The Administration will provide the data with assumptions for the top ten entities for water use.**
8. Could the City include ordinance language to provide discounts to people who already participate in federal and state programs that targeted to low-income people? (Yates)
9. How will the City do outreach to let property owners know that second water meters are available? **The Community Engagement Officer will join the Committee at the November 19th meeting to review an implementation plan for community outreach.**

Any additional questions should be submitted as soon as possible.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#374-14 HIS HONOR THE MAYOR requesting authorization to appropriate the sum of sixty-five thousand dollars (\$65,000) from Free Cash to fund the installation of additional lighting around City Hall and the War Memorial. [10/15/14 @ 3:01 PM]

ACTION: APPROVED 7-0 WITH AN EMERGENCY PREAMBLE

NOTE: Director of Sustainability Rob Garrity presented the request for funding to install lighting around City Hall and the War Memorial. The new lighting is necessary to provide safe entrance and exit from City Hall and safe access to the parking areas around City Hall. Mr. Garrity provided the attached plan that identifies where the new street lamps would be sited. The map also includes the location of existing streetlights on Homer Street and Commonwealth Avenue and the positions of the building lights on City Hall and the War Memorial.

CITY OF NEWTON
IN BOARD OF ALDERMEN
PUBLIC FACILITIES COMMITTEE REPORT

WEDNESDAY, NOVEMBER 19, 2014

Present: Ald. Crossley (Chairman), Lennon, Albright, Brousal-Glaser, Gentile, Danberg, Laredo and Lappin

Also present: Ald. Baker, Ciccone, Cote, Fuller, Leary, Lipof, Norton, Sangiolo, Johnson, and Yates

City staff present: Maureen Lemieux (Chief of Staff/Chief Financial Officer), David Turocy (Commissioner of Public Works), Lou Taverna (City Engineer), Marie Lawlor (Assistant City Solicitor), Rob Symanski (Financial Analyst), Jack Cowell (Capital Analyst), William Paille (Director of Transportation), Marc Gromada (Police Captain), Jay Babcock (Police Sergeant), and David Koses (Traffic Coordinator)

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

#455-14 HIS HONOR THE MAYOR recommending amendment to Chapter 29, Section 80 **Sewer/Storwater use charge.** of the City of Newton Ordinances to create a storm water rate fee structure based upon square footage of impervious surface area.

ACTION: **HELD 8-0**

NOTE: The Executive Office filed two docket requests to amend the ordinance defining the sewer/stormwater rate structure and the water rate structure.

The proposed amended ordinance would modify the water rates to both allow for second water meters for outside irrigation only, and provide five tiers of rates, adding a micro-tier rate for very low users and a separate highest rate applied to all outdoor water use metered separately. The City Solicitor's Office has determined that the City can choose to offer second water meters to residential properties and not commercial or institutional properties. There are two other communities in Massachusetts (Burlington and Medford) that only offer second meter to residential property owners. The draft ordinance language for the water rate structure that was attached to the agenda includes language to restrict the second meters to residential properties and add two tiers to the current water rate structure, a micro-tier and an outdoor meter tier.

The proposed sewer/stormwater amendment includes language to create a tiered rate structure based on square footage of impervious surface area. The structure presented would include six tiers that range from 1-10,000 square feet of impervious surface area to 200,000 and greater of impervious surface area. Rates would be assigned that in total would generate funds sufficient to properly run operations (currently underfunded) and as well to begin significant repairs to restore the stormwater system. An illustration was discussed where the first tier of the stormwater rate structure would be \$85 and encompass most, if not all, of the city's residential properties. The City has the necessary data to implement a tiered rate structure based on impervious surface area.

The City Solicitor's Office investigated the possibility of creating a stand-alone stormwater section of the City ordinances and do believe that it is possible. The City Solicitor's Office will be providing a draft ordinance specific to a separate stormwater utility for the December 3, 2014 meeting.

It is important to note that neither of the proposed ordinances provides actual rates. There would be no change to the current water/sewer rates or the stormwater rates through the end of this fiscal year. The Board of Aldermen will set the water rates and stormwater rates for Fiscal Year 2016 in April or May of 2015. The proposed ordinance language before the committee is to provide for additional tiers for water bills, including a separate and highest tier for water billed on second meters, and allow for a second meter for residential properties. Separately, the stormwater ordinance proposes to bill stormwater rates according to create a tiered rate structure based on impervious surface on a site, versus a flat fee.

Chief of Staff Maureen Lemieux provided the attached draft communication plan to inform property owners of the residential second meters for outdoor water use and the stormwater rates restructure. If the second meters are approved, it is important the City spread the news quickly and widely as residential property owners need to sign up for the second meters well in advance of when the Board of Aldermen sets the water/sewer rates for Fiscal Year 2015 in order to mitigate the impact of the second water meters on the sewer rates. The draft plan includes instructions on how register for a second mete. In addition, the City plans to set up a calculator on the city website for residential property owners to aid them in determining if installing a second meter makes financial sense for them. The calculator will be based on the current number of HCFs (Hundred Cubic Feet of Water) that a property owner uses outside per year. It was pointed the Administration may want to reconsider the calculator because if a property owner installs a second meter and does not receive the full benefits as provided by the city calculator it may cause problems. It is important that property owners clearly understand that some property owners are going to pay a substantial amount more for water and sewer.

Ms. Lemieux stated the Administration will prepare an informational script and hold informational meetings for customer service, utilities division and Executive Office staff to ensure that all necessary information on second water meters is conveyed to anyone inquiring. It is very important that City employees be able to respond to any question on the second water meters with a complete answer. In addition, the Mayor and other staff will be meeting with Greg Riebman, President of the Newton/Needham Chamber of Commerce, regarding the proposed changes to the calculations for the stormwater fee. Committee members commented that the first date of early December to begin the communication campaign should be pushed out to ensure that the Board of Aldermen has approved the second meters and/or the stormwater rate structure and that the appeals period expires as well. Ms. Lemieux assured the Committee that the communication plan would not begin until the Board of Aldermen approved the proposed ordinances.

The Utilities Department also provided the attached application process and registration requirements for outdoor meter installation for both residential property owners and plumbers.

The requirements include the fees that the City will collect for the second meters including the DPU registration fee, transponder cost, and upon pulling the permit, plumbing permit fee. The installation of the second meter would require a plumbing inspection by the City's Inspectional Services Department and a test of the backflow device and inspection of the new meter and transponder by the Utilities Division of the Public Works Department. Each of the fees is expected to cover the cost of testing and inspection. There was concern that the required inspections would put additional stress on City staff and that it may make sense to hire additional plumbing and utility inspectors. Public Works Commissioner David Turocy stated that there would be conversations regarding staffing once there is a better sense of how many residential property owners will install second meters for the upcoming fiscal year. Commissioner Turocy believes the Department of Public Works can provide the inspections with existing staff but will fill any staff gaps, if necessary. The real staffing concern is related to the Inspectional Services Department, which would be responsible for the plumbing inspections. If the plumbing inspectors are performing second meter inspections, other work is not being done. The Administration will assess the staffing needs in both the Public Works Department and the Inspectional Services Department when it becomes clear how many properties would be installing second meter by how many register prior to the April 1, 2015 deadline.

At a previous meeting on November 12, 2014, a question arose regarding whether the City could add the fixed portion of the Massachusetts Water Resource Authority's (MWRA) sewer assessment to the rate for the outdoor water use and what the impact would be on rates if this were done. If the fixed MWRA sewer assessment were apportioned, property owners with a second meter would be charged an additional \$6.00 per HCF of water that flows through the second meter. Ms. Lemieux handed out two charts, which are attached. The first chart provides the estimated impact of second meters for outside water use and the new stormwater rates including the apportioned fixed portion of the MWRA sewer assessment to three of the City's larger institutional/municipal water users that would not be eligible to get a second water meter, a residential water user with a second water meter that uses 162 HCFs of water per year, and to a residential water user without a second water meter that uses 22 HCFs of water per year. The second chart provides the estimated impact of second meters for outside water use and stormwater rate tiers without the apportioned fixed sewer assessment to the same three larger institutional/municipal water users that would not be eligible to get a second water meter, to a residential water user with a second water meter that uses 162 HCFs of water per year, and to a residential water user without a second water meter that uses 22 HCFs of water per year. By only allowing residential properties to use second meters for outside water use, there is a lesser impact to all users. Residential properties that have water usage of approximately 100 HCFs would see a minor increase to their utility bills. The illustration shows that if the apportioned charge is added to second water meter rate, it provides the largest benefit to commercial and institutional property owners because their sewer costs would be substantially reduced, as the second water meter users would be paying part of the fixed portion of the MWRA sewer assessment.

For the next meeting, it would be helpful to have both a rate impact study illustrating the impact of second meters if they are allowed for commercial/institutional properties as well as residential and another and if they are allowed only for residential. There was also a request for

a rate impact study for the proposed changes to the stormwater charge, particularly for properties with large impervious surface area. It was also noted that the City could always decide to allow second meters for commercial institutional properties at a later date. The Administration requested direction from the Committee on whether to hold a public hearing on December 3, 2014 and whether to continue to move towards implementing both of the proposed ordinances. The Committee took a straw vote to determine whether to move forward with the stormwater ordinance. The Committee unanimously supported moving forward to public hearing on the proposed stormwater ordinance. The Committee took another straw vote on the proposed amendments to allow for second water meters for outside water use and to restructure the water rate fee structure as proposed. The Committee voted to move forward with the proposed amendments with the understanding that there needed to be further discussion on whether to limit the second meters to residential properties. With that, Ald. Albright moved hold on Docket Items #455-14 and #456-14, which carried unanimously.

REFERRED TO PUBLIC FACILITIES AND FINANCE COMMITTEES

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

ACTION: **HELD 8-0**

NOTE: See above note.

REFERRED TO PUB. SAF. & TRANS. AND PUBLIC FACILITIES COMMITTEES

#310-10(3) ALD. DANBERG requesting an amendment to City of Newton Ordinances Chapter 26 Section 8D **Trial program for removal of snow and ice from sidewalks.** by extending the expiration date of the trial from November 1, 2014 to November 1, 2015. [11/07/14 @ 5:00 PM]

PUBLIC SAFETY APPROVED 5-0 (Johnson and Lipof not voting)

ACTION: **APPROVED 7-0 (Gentile not voting)**

NOTE: The Committee met jointly with the Public Safety and Transportation Committee to discuss the above item. Ald. Danberg explained that the docket item is a request to extend the current snow-shoveling trial program ordinance by one year to November 1, 2015. By extending the trial program, the Administration can negotiate the enforcement piece of the proposed permanent snow-shoveling ordinance. If the negotiations are completed in the next few weeks or months, the Board of Aldermen could approve the proposed permanent ordinance and it could take effect immediately. Ald. Danberg moved approval of the item in the Public Facilities Committee, which carried unanimously. Ald. Yates moved approval of the item in the Public Safety and Transportation Committee, which carried unanimously.

#270-14(2) BRIAN LASH, 46 Woodman Road, Chestnut Hill, requesting that Board Order #270-14 approved on September 17, 2014 be amended to reflect a revised easement relocation plan to conform with the actual location of utility lines. [11/05/14 @ 10:49 AM]

ACTION: **APPROVED 7-0 (Gentile not voting)**