



City of Newton, Massachusetts
Office of the Mayor

#375-14(3) Telephone
 (617) 796-1100
 Telefax
 (617) 796-1113
 TDD
 (617) 796-1089
 E-mail
 swarren@newtonma.gov

SETTI D. WARREN
 MAYOR

May 1, 2015

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

RECEIVED
NEWTON CITY CLERK
2015 MAY - 1 PM 3:35
DAVID A. OLSON, CMC
Newton, MA 02459

Ladies and Gentlemen:

I write to request that your Honorable Board amend *Docket Item #375-14(3) HIS HONOR THE MAYOR submitting recommended FY2016 Water, Sewer, Storm Water Rates for implementation on July 1, 2015, as follows:*

FY 2016 Tiers & Rates for Water

HCF Per Quarter	Proposed in Docket # 375-14(3)	Proposed Amendment
0-10	\$6.30	\$6.25
11-25	\$7.00	\$7.00
26-60	\$8.40	\$8.00
>60	\$10.00	\$10.00
Irrigation	\$10.00	\$10.00


FY 2016 Tiers & Rates for Sewer

HCF Per Quarter	Proposed in Docket # 375-14(3)	Proposed Amendment
0-10	\$9.50	\$9.25
11-25	\$10.00	\$9.75
26-60	\$12.00	\$11.50
>60	\$14.00	\$13.25

I am pleased to propose the amended rates now based on the actual number of residents who have registered for a 2nd water meter. These rates will provide sufficient revenue to cover all water/sewer expenditures, as well as increase the reserve in each account by more than \$1 million. I am not proposing any change to the originally submitted stormwater fees.

I have attached an analysis showing the benefits of these amended rates. Thank you for your consideration of this matter.

Sincerely,


 Setti D. Warren,
 Mayor

City of Newton, Massachusetts
 FY2016 Water/Sewer Rates
 Rate Setting Public Hearing
 May 4, 2015

	Consumption	FY2015 Estimate	Mayor's Proposed	\$ Variance to FY15	% Variance to FY15	← Mayor's Amended			
						Mayor's Amended	Variance to Mayor's Proposed	\$ Variance to FY15	% Variance to FY15
SAMPLE ACCOUNT 2	22	\$330	\$348	\$17	5.26%	\$341	-\$7	\$11	3.26%
SAMPLE ACCOUNT 24	30	\$450	\$474	\$24	5.26%	\$465	-\$9	\$15	3.26%
SAMPLE ACCOUNT 15	41	\$615	\$649	\$34	5.46%	\$637	-\$12	\$21	3.47%
SAMPLE ACCOUNT 5	45	\$675	\$717	\$42	6.15%	\$704	-\$13	\$28	4.19%
SAMPLE ACCOUNT 23	52	\$781	\$836	\$55	7.11%	\$821	-\$15	\$40	5.19%
SAMPLE ACCOUNT 13	71	\$1,066	\$1,159	\$93	8.75%	\$1,139	-\$20	\$74	6.90%
SAMPLE ACCOUNT 6	74	\$1,120	\$1,210	\$90	8.06%	\$1,190	-\$21	\$70	6.23%
SAMPLE ACCOUNT 14	83	\$1,255	\$1,363	\$108	8.62%	\$1,340	-\$23	\$85	6.81%
SAMPLE ACCOUNT 7	85	\$1,300	\$1,397	\$97	7.48%	\$1,374	-\$23	\$74	5.69%
SAMPLE ACCOUNT 18	88	\$1,381	\$1,448	\$67	4.88%	\$1,424	-\$24	\$43	3.14%
SAMPLE ACCOUNT 3	88	\$1,360	\$1,448	\$88	6.49%	\$1,424	-\$24	\$64	4.73%
SAMPLE ACCOUNT 8	90	\$1,381	\$1,482	\$101	7.33%	\$1,458	-\$25	\$77	5.55%
SAMPLE ACCOUNT 17	91	\$1,414	\$1,499	\$85	6.03%	\$1,474	-\$25	\$61	4.28%
SAMPLE ACCOUNT 20	92	\$1,423	\$1,516	\$93	6.55%	\$1,491	-\$25	\$68	4.79%
SAMPLE ACCOUNT 21	120	\$1,930	\$1,712	-\$218	-11.28%	\$1,690	-\$22	-\$240	-12.42%
SAMPLE ACCOUNT 9	131	\$1,966	\$2,131	\$165	8.38%	\$2,094	-\$37	\$128	6.51%
SAMPLE ACCOUNT 4	132	\$1,981	\$2,148	\$167	8.41%	\$2,111	-\$37	\$130	6.55%
SAMPLE ACCOUNT 22	154	\$2,321	\$2,522	\$201	8.68%	\$2,480	-\$43	\$159	6.85%
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SAMPLE ACCOUNT 16	162	\$2,715	\$2,048	-\$667	-24.57%	\$2,029	-\$19	-\$686	-25.27%
SAMPLE ACCOUNT 12	163	\$2,695	\$2,937	\$242	9.00%	\$2,854	-\$84	\$159	5.89%
SAMPLE ACCOUNT 10	185	\$3,176	\$2,306	-\$870	-27.39%	\$2,286	-\$20	-\$890	-28.02%
SAMPLE ACCOUNT 1	199	\$3,104	\$3,287	\$183	5.91%	\$3,233	-\$54	\$130	4.18%
SAMPLE ACCOUNT 11	276	\$4,490	\$4,854	\$365	8.13%	\$4,732	-\$122	\$242	5.40%
FESSENDEN SCHOOL	6,817	\$137,471	\$151,774	\$14,303	10.40%	\$147,105	-\$4,669	\$9,634	7.01%
CHESNUT HILL MALL	9,357	\$198,669	\$220,225	\$21,556	10.85%	\$213,325	-\$6,900	\$14,656	7.38%
MT IDA COLLEGE	10,110	\$214,291	\$237,967	\$23,676	11.05%	\$230,515	-\$7,452	\$16,224	7.57%
TOWERS OF CHESTNU	17,938	\$269,249	\$284,642	\$15,393	5.72%	\$279,312	-\$5,331	\$10,062	3.74%
LASELL COLLEGE	18,351	\$365,853	\$405,352	\$39,500	10.80%	\$392,786	-\$12,566	\$26,934	7.36%
MARRIOTT	22,457	\$484,268	\$537,716	\$53,448	11.04%	\$520,900	-\$16,816	\$36,633	7.56%
NEWTON WELLESLEY	33,494	\$716,095	\$793,625	\$77,531	10.83%	\$768,868	-\$24,757	\$52,774	7.37%
CITY OF NEWTON	40,711	\$818,228	\$911,055	\$92,827	11.34%	\$881,854	-\$29,201	\$63,626	7.78%
BOSTON COLLEGE	113,528	\$2,403,412	\$2,665,869	\$262,457	10.92%	\$2,582,854	-\$83,016	\$179,441	7.47%



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swarren@newtonma.gov

To: Alderman Leonard Gentile, Chairman, Finance Committee
Cc: Board of Aldermen
From: Maureen Lemieux, Chief Financial Officer
Subject: FY2016 Water/Sewer Rates
Date: May 1, 2015

I am pleased to provide the attached analysis to help inform the debate as the honorable Board takes up the topic of the FY2016 Water/Sewer Rates on Monday, May 4, 2015.

As you know, the Mayor has submitted a request to amend his proposed rates based on the knowledge that we now have regarding the number of residents who have registered for an outdoor water meter, and their projected outdoor water usage. As a result of this information, we have been able to adjust our conservative assumptions of lost sewer revenue/HCF consumption downward, enabling us to adjust the sewer rates.

Members of the Public Facilities Committee have asked for different scenarios exploring different philosophies concerning water utilization. I am pleased to say that we have been able to incorporate many of those philosophies into the Mayor's proposed amended rates. Most importantly we have tried to "protect" the small water user, those residents whose water consumption is for life sustaining purposes. Conversely, the members of the Board want to encourage conservation, and that has been accomplished through progressively increasing the rate increases by tier.

There is one concept that members have asked me to analyze which is not part of the Mayor's proposed rates. That is setting the Irrigation Rate at a rate that is even higher than the highest water tier. I have provided that analysis to help inform the conversation. I have taken all of the savings generated by the increased irrigation rate and applied it to a lowering of the Tier 1 rate. The result is a very small decrease (\$1.50 per quarter) for most residents, but an increase to those residents who have selected the option of a 2nd meter. Once again, this is not something that the Executive Office supports, but rather has been provided for your analysis.

Please note: all of the analysis that has been provided excludes Stormwater Fees. I am looking forward to discussing the Mayor's proposed rates with all of you on Monday evening.

**City of Newton, Massachusetts
FY2016 Water/Sewer Rates
Rate Setting Public Hearing
May 4, 2015**

	Consumption	FY2015 Estimate	Mayor's Proposed	\$ Variance to FY15	% Variance to FY15	← Mayor's Amended →			
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NEWTON WELLESLEY	33,494	\$716,095	\$793,625	\$77,531	10.83%	\$768,868	-\$24,757	\$52,774	7.37%
CITY OF NEWTON	40,711	\$818,228	\$911,055	\$92,827	11.34%	\$881,854	-\$29,201	\$63,626	7.78%
BOSTON COLLEGE	113,528	\$2,403,412	\$2,665,869	\$262,457	10.92%	\$2,582,854	-\$83,016	\$179,441	7.47%

City of Newton, Massachusetts
 FY2016 Water/Sewer Rates
 Rate Setting Public Hearing
 May 4, 2015

1-May-2015
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	Consumption	FY2015 Estimate	Mayor's Proposed	\$ Variance to FY15	% Variance to FY15	Mayor's Amended				Irrigation Rate \$11.00	
						Mayor's Amended	Variance to Mayor's Proposed	\$ Variance to FY15	% Variance to FY15	Scenario #2 Higher Irrigation All Savings - Tier #1	Variance to Mayor's Amended
SAMPLE ACCOUNT 2	22	\$330	\$348	\$17	5.26%	\$341	-\$7	\$11	3.26%	\$338	-\$3
SAMPLE ACCOUNT 24	30	\$450	\$474	\$24	5.26%	\$465	-\$9	\$15	3.26%	\$461	-\$5
SAMPLE ACCOUNT 15	41	\$615	\$649	\$34	5.46%	\$637	-\$12	\$21	3.47%	\$631	-\$6
SAMPLE ACCOUNT 5	45	\$675	\$717	\$42	6.15%	\$704	-\$13	\$28	4.19%	\$698	-\$6
SAMPLE ACCOUNT 23	52	\$781	\$836	\$55	7.11%	\$821	-\$15	\$40	5.19%	\$815	-\$6
SAMPLE ACCOUNT 13	71	\$1,066	\$1,159	\$93	8.75%	\$1,139	-\$20	\$74	6.90%	\$1,133	-\$6
SAMPLE ACCOUNT 6	74	\$1,120	\$1,210	\$90	8.06%	\$1,190	-\$21	\$70	6.23%	\$1,184	-\$6
SAMPLE ACCOUNT 14	83	\$1,255	\$1,363	\$108	8.62%	\$1,340	-\$23	\$85	6.81%	\$1,334	-\$6
SAMPLE ACCOUNT 7	85	\$1,300	\$1,397	\$97	7.48%	\$1,374	-\$23	\$74	5.69%	\$1,368	-\$6
SAMPLE ACCOUNT 18	88	\$1,381	\$1,448	\$67	4.88%	\$1,424	-\$24	\$43	3.14%	\$1,418	-\$6
SAMPLE ACCOUNT 3	88	\$1,360	\$1,448	\$88	6.49%	\$1,424	-\$24	\$64	4.73%	\$1,418	-\$6
SAMPLE ACCOUNT 8	90	\$1,381	\$1,482	\$101	7.33%	\$1,458	-\$25	\$77	5.55%	\$1,452	-\$6
SAMPLE ACCOUNT 17	91	\$1,414	\$1,499	\$85	6.03%	\$1,474	-\$25	\$61	4.28%	\$1,468	-\$6
SAMPLE ACCOUNT 20	92	\$1,423	\$1,516	\$93	6.55%	\$1,491	-\$25	\$68	4.79%	\$1,485	-\$6
SAMPLE ACCOUNT 21	120	\$1,930	\$1,712	-\$218	-11.28%	\$1,690	-\$22	-\$240	-12.42%	\$1,724	
SAMPLE ACCOUNT 9	131	\$1,966	\$2,131	\$165	8.38%	\$2,094	-\$37	\$128	6.51%	\$2,082	-\$12
SAMPLE ACCOUNT 4	132	\$1,981	\$2,148	\$167	8.41%	\$2,111	-\$37	\$130	6.55%	\$2,099	-\$12
SAMPLE ACCOUNT 22	154	\$2,321	\$2,522	\$201	8.68%	\$2,480	-\$43	\$159	6.85%	\$2,468	-\$12
SAMPLE ACCOUNT 19	155	\$2,551	\$2,285	-\$266	-10.41%	\$2,251	-\$34	-\$300	-11.75%	\$2,292	
SAMPLE ACCOUNT 16	162	\$2,715	\$2,048	-\$667	-24.57%	\$2,029	-\$19	-\$686	-25.27%	\$2,117	
SAMPLE ACCOUNT 12	163	\$2,695	\$2,937	\$242	9.00%	\$2,854	-\$84	\$159	5.89%	\$2,848	-\$6
SAMPLE ACCOUNT 10	185	\$3,176	\$2,306	-\$870	-27.39%	\$2,286	-\$20	-\$890	-28.02%	\$2,393	
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SAMPLE ACCOUNT 11	276	\$4,490	\$4,854	\$365	8.13%	\$4,732	-\$122	\$242	5.40%	\$4,720	-\$12
FESSENDEN SCHOOL	6,817	\$137,471	\$151,774	\$14,303	10.40%	\$147,105	-\$4,669	\$9,634	7.01%	\$147,033	-\$72
CHESNUT HILL MALL	9,357	\$198,669	\$220,225	\$21,556	10.85%	\$213,325	-\$6,900	\$14,656	7.38%	\$213,301	-\$24
MT IDA COLLEGE	10,110	\$214,291	\$237,967	\$23,676	11.05%	\$230,515	-\$7,452	\$16,224	7.57%	\$230,489	-\$26
TOWERS OF CHESTNU	17,938	\$269,249	\$284,642	\$15,393	5.72%	\$279,312	-\$5,331	\$10,062	3.74%	\$276,774	-\$2,538
LASELL COLLEGE	18,351	\$365,853	\$405,352	\$39,500	10.80%	\$392,786	-\$12,566	\$26,934	7.36%	\$392,558	-\$228
MARRIOTT	22,457	\$484,268	\$537,716	\$53,448	11.04%	\$520,900	-\$16,816	\$36,633	7.56%	\$520,894	-\$6
NEWTON WELLESLEY	33,494	\$716,095	\$793,625	\$77,531	10.83%	\$768,868	-\$24,757	\$62,774	7.37%	\$768,817	-\$51
CITY OF NEWTON	40,711	\$818,228	\$911,055	\$92,827	11.34%	\$881,854	-\$29,201	\$63,626	7.78%	\$881,496	-\$358
BOSTON COLLEGE	113,528	\$2,403,412	\$2,665,869	\$262,457	10.92%	\$2,582,854	-\$83,016	\$179,441	7.47%	\$2,582,445	-\$408