



Utilities – Water/Sewer/Stormwater

FY 15 Rate Structure

Proposed Revisions

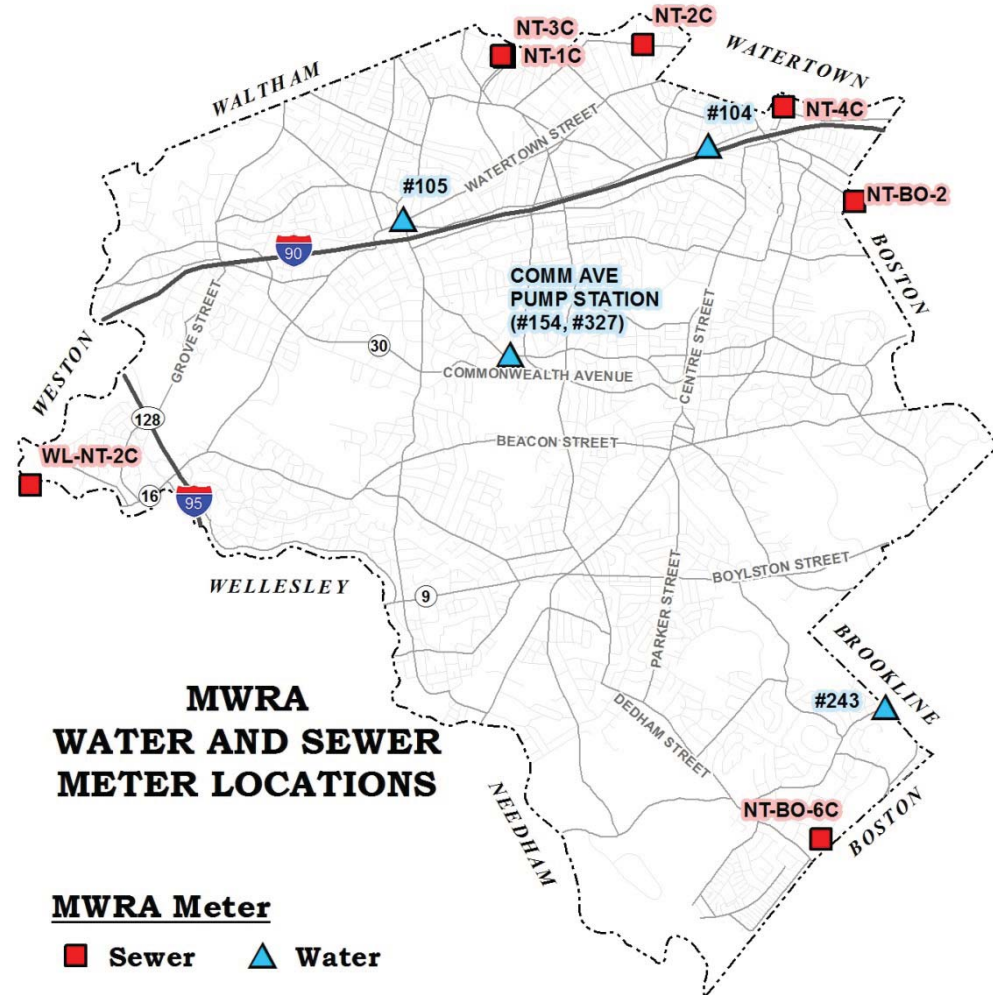
Revised Water/Sewer Rates



- Administration committed to reviewing Water/Sewer billing practices to develop **accurate**, **fair** and **equitable** system
- Subject to completion of water meter replacement program
 - Water meter change-out completed
 - Water meter transmission completed
- Water/Sewer Infrastructure Team
 - Executive Office, DPW, BOA representatives, Outside Consultant
 - Reviewed program over past year

Water/Sewer Measurement

- **MWRA – Meters Water at 5 locations entering the City**
- **MWRA – Meters Sewer at 7 locations leaving the City**
- **City – Meters Water only at residence/business**



Current Rate System



- 3 Tier Rate Blocks
 - 0-20 hcf's
 - 21-70 hcf's
 - >70 hcf's
- 20% Difference between Tiers
- Sewer Rate 1.48 x Water Rate
- Affordability programs for at-risk population

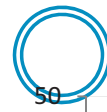
Primary “Fairness” Issue



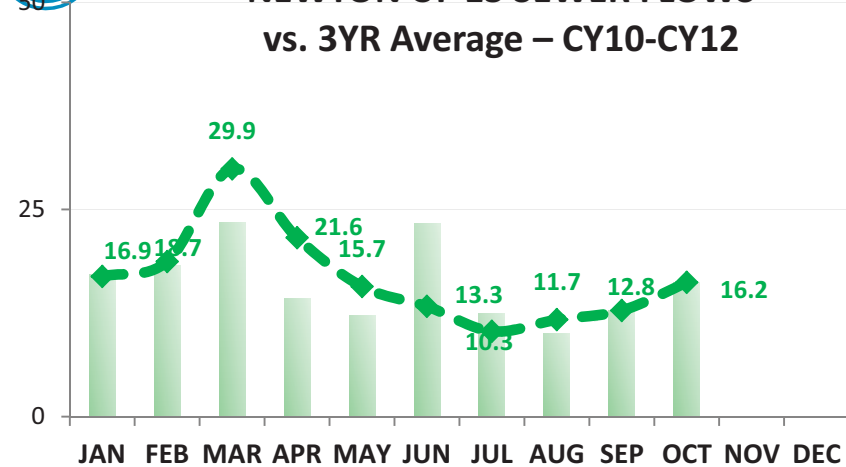
- Sewer charges are applied based on water usage, not sewerage volumes.
- All water usage is applied to sewer charges, including irrigation usage.
- Second (irrigation) meters are not allowed (unless grandfathered in, and even then charged sewer).
- Irrigation rates are typically at higher tiers, for both water and sewer.

Primary “Fairness” Issue

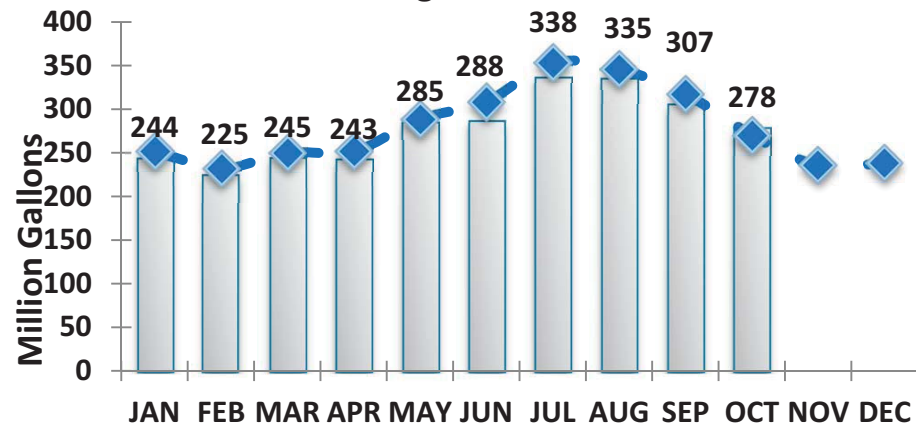
- Sewer Flow peaks in Spring and Fall
- Water Flow (and Sewer Billing) peaks in Summer



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



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





Options explored by Infrastructure Team

Fixed Charges



- **Service/Billing Charge**
 - Account for “fixed costs” for meter reading, billing, collection, metering, line repairs
- **Fire Service Charge**
 - Account for constant, on-demand water supply for fire suppression systems

Metered Rate Charges



- **Seasonal Rates**
 - Higher rates during higher usage seasons
 - Similar to “demand” charge on other utilities

- **Meter Size Rates**
 - Apply higher rates to larger meters

- **Alternative Rate Blocks**
 - Add/Reduce # of Tiers (3)
 - Change differential between Tiers (20%)

Sewer Only Rate Structure



- **Second (Irrigation) Meters**
 - Minimize fairness issue on water/sewer billing
 - Incur additional costs for supply, installation, maintenance and billing

- **Winter Usage Billing Rate Structure**
 - Use winter usage pattern as format for annual billing of sewer usage

Affordability Programs



- **Elderly Discount**
 - Age (65)
 - Ownership
 - Income Requirements

- **Condo Discount**
 - Multi-Family, Condominiums, Apartments

- **Low Income Discount**

Billing Frequency



- Current – Quarterly Billing
- More Frequent - Monthly Billing
- Less Frequent - Annual, Semi-Annual Billing

Recommendation



- Winter Usage Sewer Billing Structure

- Add fourth & fifth tiers

- Keep other Existing Processes
 - Affordability
 - Elderly, Condo Discounts
 - Quarterly Billing Frequency

Winter Usage Sewer Rate



- New Water Meter AMR system allows us to take daily snapshot of all accounts, versus “rolling” billing cycle information
- Use months of November-February to determine monthly sewer usage baseline
- Apply monthly sewer usage to develop a **fixed annual** sewer charge at time of annual Water Sewer rate approvals

Winter Usage Sewer Rate



- Eliminate sewer charge to “irrigation” water
 - Resolves “fairness” issue for applying sewer charges to water that does not go into sewer

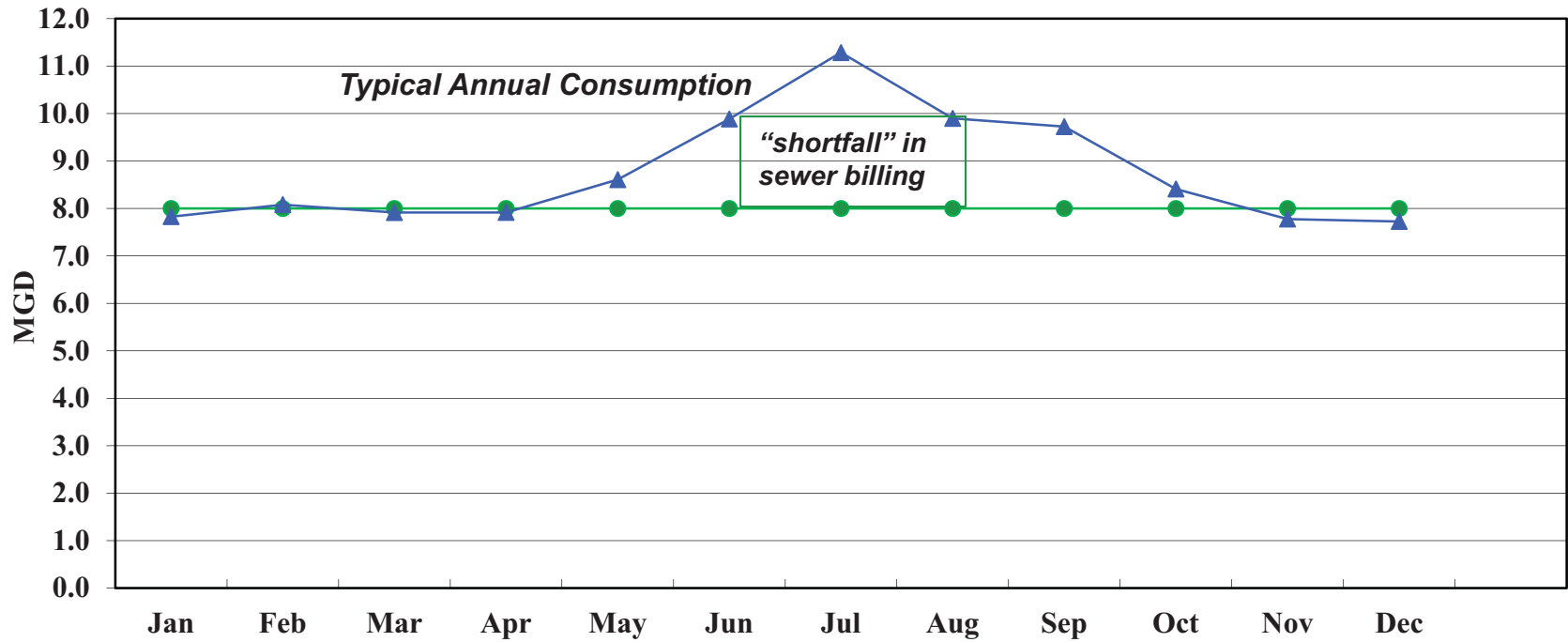
- Eliminate need for second meters
 - Maintains current inventory of meters in system
 - Reduces need for additional billing
 - Eliminates homeowners cost to install
 - Implemented immediately across the board

- Challenge is to minimize impacts of revised rates to at-risk population

Winter Usage Sewer Rate



Newton Water Consumption



Stormwater Fee



- City established a Stormwater Fee in 2006

- Fixed Fee
 - \$25/Year – residential
 - \$150/Year – commercial
 - Annual Income - \$750,000

- Program Support
 - 6-person crew
 - Stormwater operations
 - \$150,000 Capital Funds

Stormwater Fee



- Program Support
 - 6-person crew – Routinely augmented by Sewer Division personnel
 - Stormwater Operations –
 - ✦ Costs have increased to extent of using all capital funds
 - ✦ New EPA Permit will increase Operational costs
 - Capital Funds - \$150,000 Originally - \$0 Available Now
 - ✦ Stormwater Assessment underway
 - ✦ Capital Equipment needs

Stormwater Revised Fee



- Based on Impervious Surface
 - Residential (single family)
 - ✦ ERU – Equivalent Residential Unit
 - Commercial, multi-family
 - ✦ Ratio to ERU's



Questions?

