

Article 18

Water & Sewer Rates

Spring 2023 Town Meeting



Recent Changes to Weather and Behaviors

Spring 2020 – Covid increases at home water use

Summer 2020 – Dry year (6.89" rainfall)

Summer 2021 – 3rd wettest summer on record

2021 - North Reservoir drained for dam repair work

Summer 2022 – Eastern Mass in extreme drought (4.42"), town encourages reduced water use

Water & Sewer Enterprise Fund

- Keeps revenues and expenditures separate from the rest of the budget
- Retains any surplus as “retained earnings”
- Pays for water, sewer, and stormwater/drainage costs

How We Fund Water & Sewer Enterprise

Spring 2020 TM	Spring 2021 TM	Spring 2022 TM	Spring 2023 TM
Voted FY21: 12%	Voted FY22: 3%	Voted FY23: 3.5%	Proposed FY24: 6.5%
Planned: FY22: 7% FY23: 7% FY24: 7% FY25: 7%	Planned: FY23: 3% FY24: 5% FY25: 5% FY26: 5%	Planned: FY24: 6.5% FY25: 6.5% FY26: 6.5% FY27: 6.5%	Planned: FY25: 6.5% FY26: 6.5% FY27: 6.5% FY28: 6.5%

Proposed Change for FY24

- 6.5% increase in water/sewer rates
- The increase does not apply to the \$30 service charge

User Type	Usage	Current Bill	New Bill	Difference
Tier 1 Residential	15	\$80.85	\$84.16	\$3.31
Average Residential	21	\$138.21	\$145.24	\$7.03
Average Commercial	37	\$602.39	\$639.60	\$37.21
Average Irrigation	74	\$803.52	\$853.80	\$50.28

Water & Sewer Revenues

User Fees (~50%)

- Based on the water/sewer rates, pay per usage
- Highly variable based on weather

Service Charges (~6%)

- \$30 per quarterly bill

Chapter 110 Tax Levy (~41%)

- Shifts debt service from Enterprise Fund to the tax levy, excluded from Proposition 2 ½
- ~86% of debt service is shifted (ratio of residential units to total units)

Water & Sewer Expenditures

MWRA Assessments (~53%)

- Water is based on usage compared to other MWRA customers
- Sewer is based on average of the last 3 years

Operating Expenses (~20%)

- Personnel and expenses

EPA MS4 Permit Compliance (~1%)

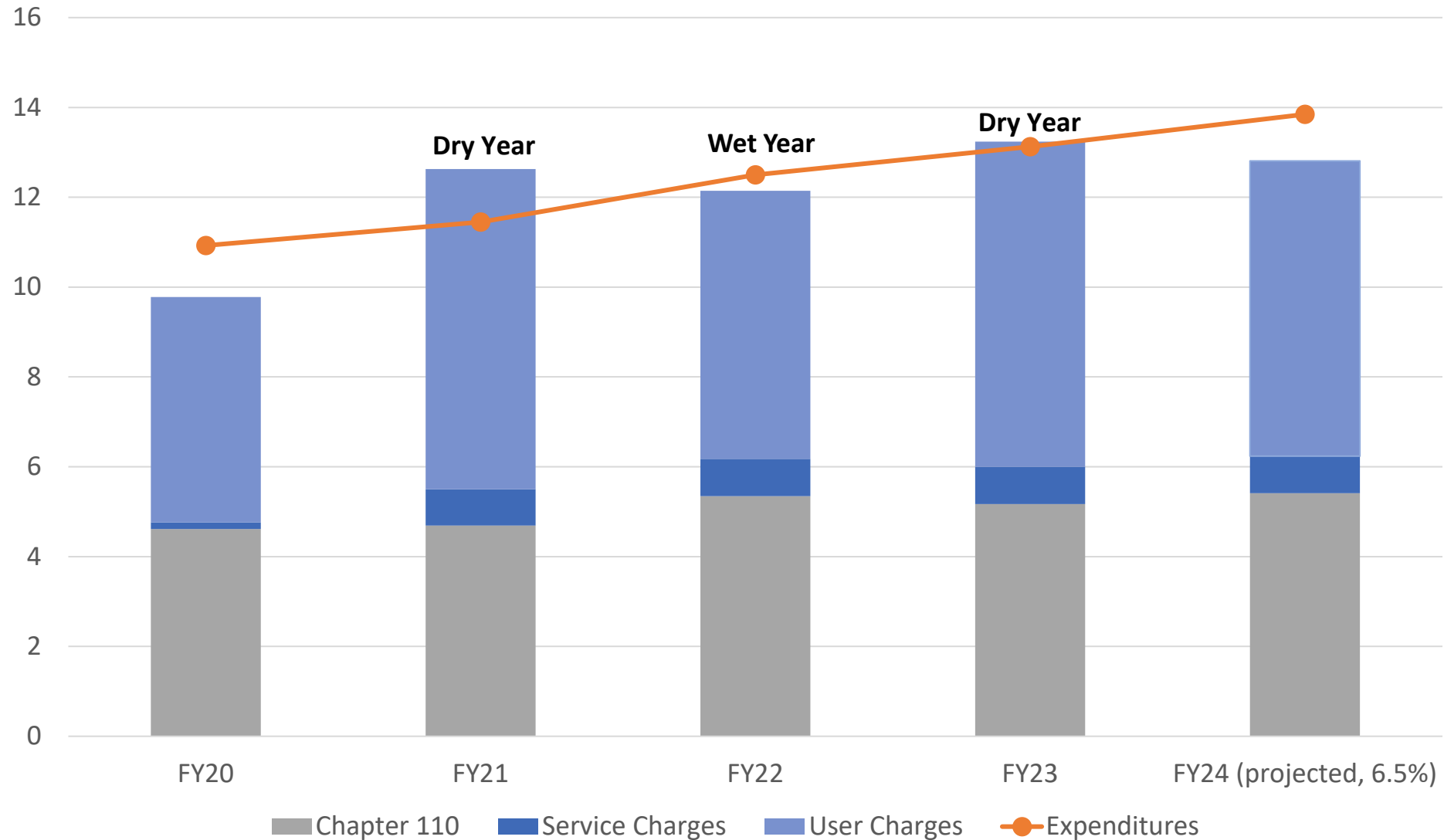
- Stormwater permit costs, including catch basins, testing, etc.

Debt Service (~13%)

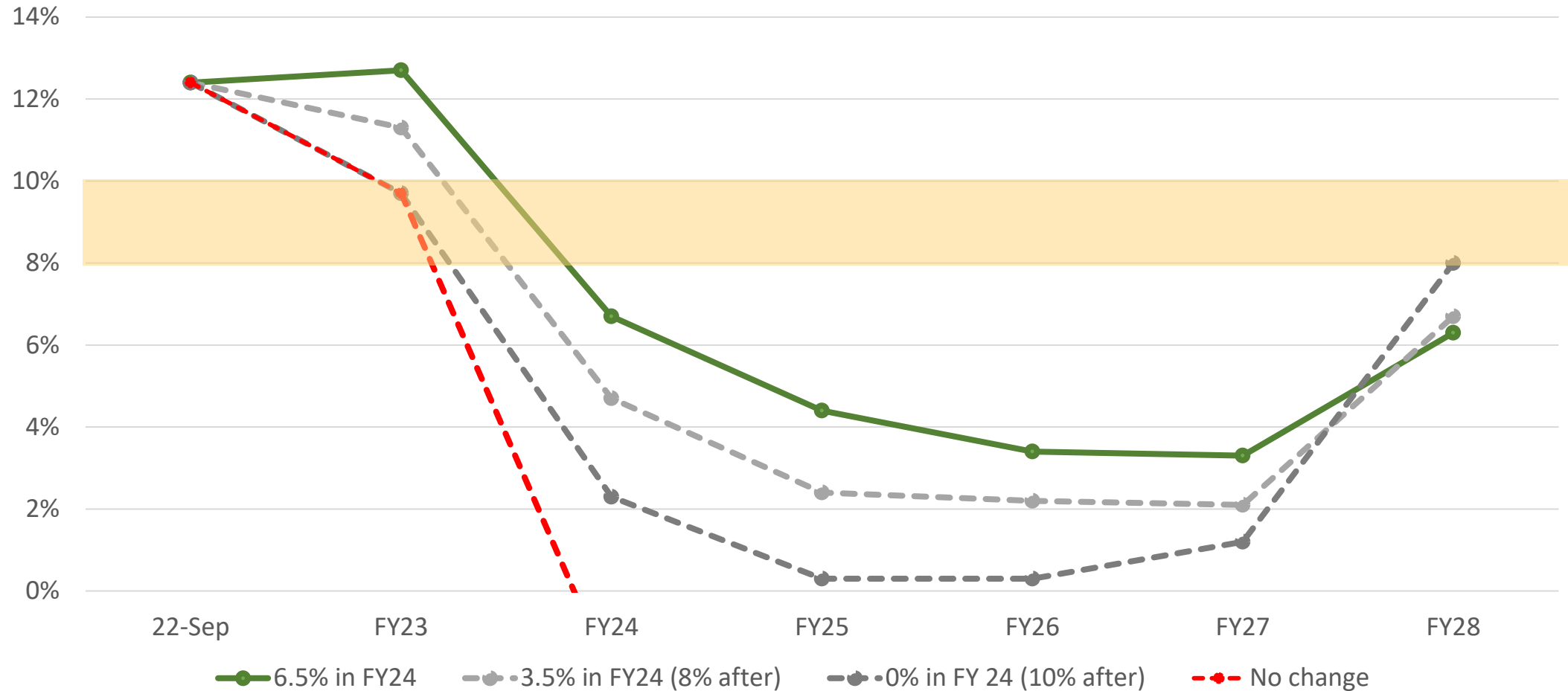
Indirect Costs (~13%)

- Insurance, benefits, other department allocation (Legal, Comptroller, HR, etc.)

Revenues & Expenditures



Retained Earnings Impact



Yes Vote for FY24 Rates

- 6.5% increase in water/sewer rates (\$30 service charge unchanged)
- Addresses increasing MWRA assessments and unpredictable weather events

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MWRA Assessments

