



# WATER & SEWER RATE CONVEYANCE TO CITY COUNCIL FINANCE COMMITTEE

*MAYOR KATJANA BALLANTYNE*

**MAY 23, 2023**

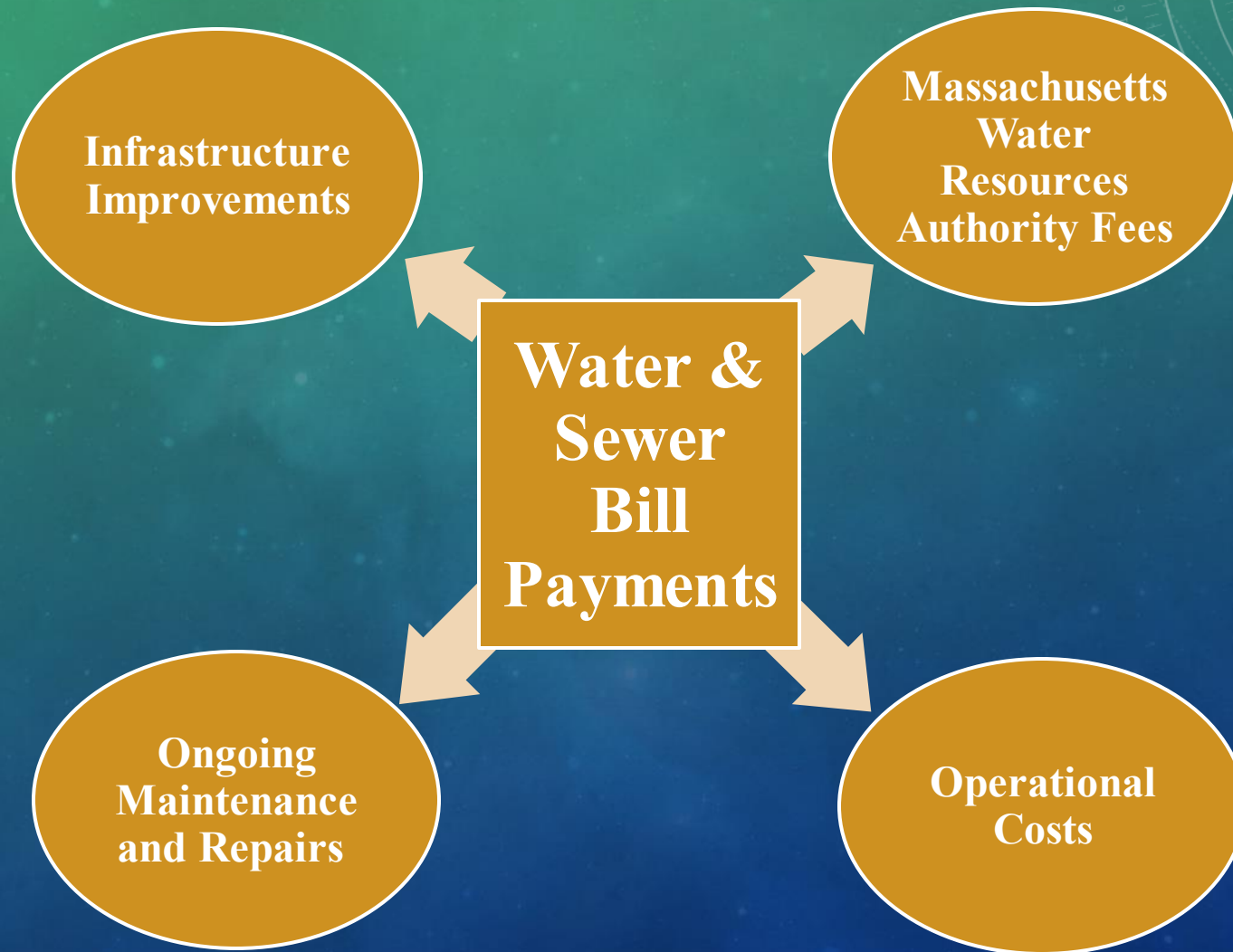
**Demetrios G. Vidalis P.E., SHEP**

Director of Water & Sewer  
Water & Sewer Department

**Stephen C. Haynes II**

Director of Finance & Admin.  
Water & Sewer Department

# WATER & SEWER ENTERPRISE FUNDS ARE SEPARATE FROM THE CITY'S GENERAL FUND BUDGET



# COST DRIVERS TO FY24 RATE RECOMMENDATION



INCREASE IN  
MWRA FEES



\$500M FOR NEEDED  
INFRASTRUCTURE  
UPGRADE AND  
REPLACEMENT



INFLATION AND  
HIGHER  
INTEREST  
RATES



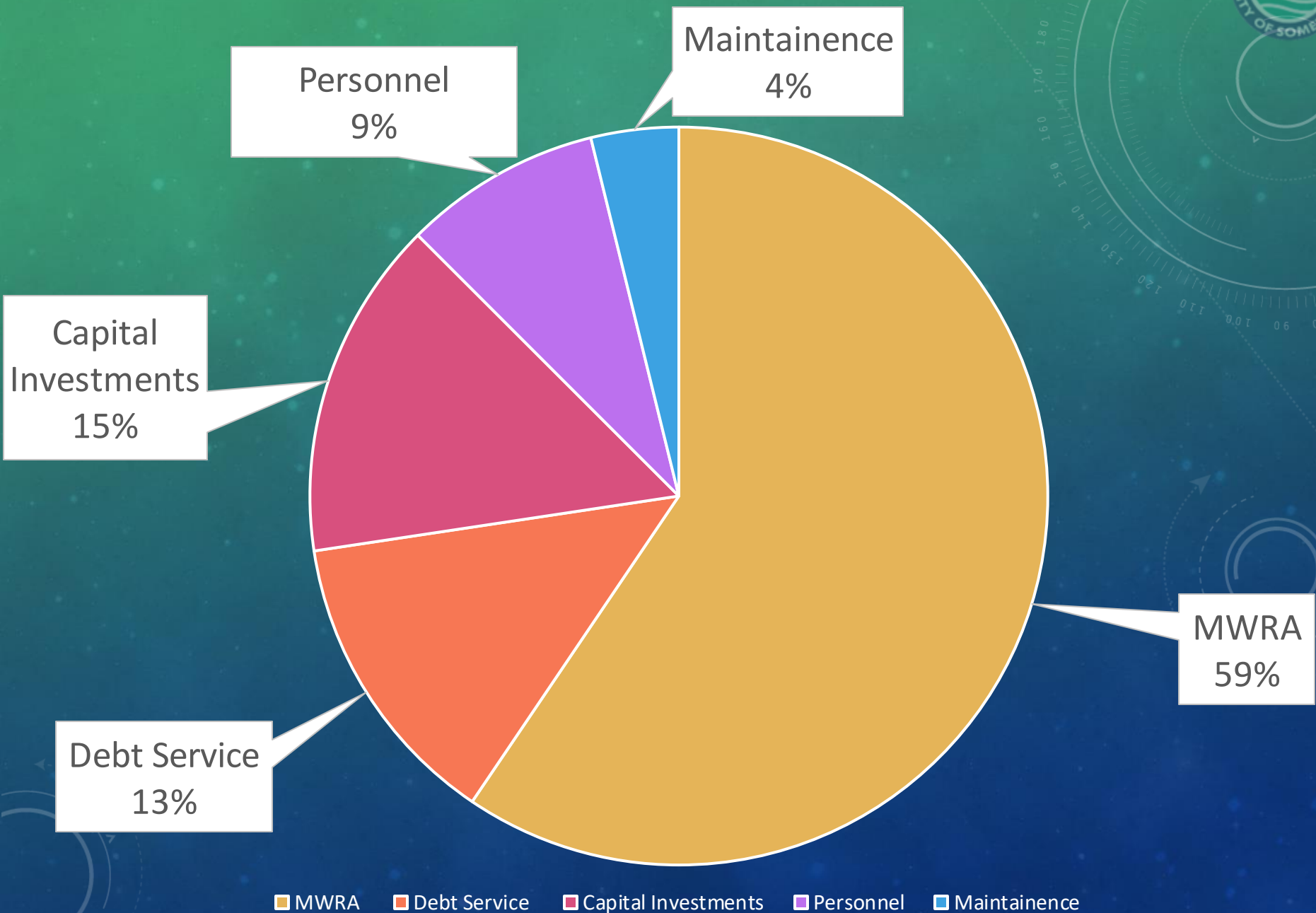
REGULATORY  
REQUIREMENTS



**5%** MWRA Sewer Assessment  
Change for FY24

**.25%** MWRA Water  
Assessment Change for FY24

# Water & Sewer Dept Finances







# POPLAR STREET PUMP STATION FINANCING STRATEGY

- Total authorization: \$102M
- Apply \$10M from ARPA (American Rescue Plan Act)
- Utilize \$5M from Sewer Stabilization fund
- Accept up to \$2.5M federal earmark
- Borrow remainder in tranches through bonding
- Bond Authorization of \$89M
- Anticipated budget presented to City Council  
11% Water 17% Sewer



# PROPOSED RATE ADJUSTMENTS FOR FISCAL YEAR 2024

*Proposed Nov 2022 to Council*

Base  
Charges

No  
Change

Water  
Rates

11%  
Increase

Sewer  
Rates

17%  
Increase



# PROPOSED RATE ADJUSTMENTS FOR FISCAL YEAR 2024

*Proposed April 2023 to Council*

Base  
Charges

No  
Change

Water  
Rates

12.6%  
Increase

Sewer  
Rates

18.75%  
Increase



# PROPOSED RATE ADJUSTMENTS FOR FISCAL YEAR 2024

*Current Proposal to Council*

Base  
Charges

No  
Change

Water  
Rates

11%  
Increase

Sewer  
Rates

15%  
Increase





# FY24 WATER AND SEWER RESIDENTIAL RATES

FY 2024 Residential Volumetric Charges (\$/Billing Unit*)				
Tier	Tier Range (per CCF)	Water	Sewer	Combined
Discount Rate	0-8	\$5.53	\$11.41	\$16.94
Tier 1	9-13	\$6.17	\$12.68	\$18.85
Tier 2	14-67	\$8.88	\$16.18	\$25.06
Tier 3	68-133	\$9.30	\$16.97	\$26.27
Tier 4	Over 133	\$9.67	\$17.57	\$27.24



# FY24 WATER AND SEWER COMMERCIAL RATES

## **FY 2024 Commercial Volumetric Charges (\$/Billing Unit\*)**

<b>Tier</b>	<b>Tier Range (per CCF)</b>	<b>Water</b>	<b>Sewer</b>	<b>Combined</b>
Tier 1	0-13	\$6.17	\$12.68	\$18.85
Tier 2	14-67	\$8.88	\$16.18	\$25.06
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# KEY CUSTOMER IMPACTS

Total Change in Annual Costs for Various Billing Units (including base & volumetric charges, amended)				
Total Units per Bill (in CCF)	FY 2023 Annual Total	FY 2024 Annual Total	\$ Change (FY 2024 - FY 2023)	% Change
15 (average condo unit)	\$919	\$1,020	\$101	10%
18 (average single-family home)	\$1,118	\$1,245	\$127	10%
30 (average two-family home)	\$1,912	\$2,147	\$235	11%
42 (average three-family home)	\$2,707	\$3,050	\$343	11%
110 (average 8-unit apartment building)	\$6,583	\$8,318	\$1,735	12%



# FINANCIAL ASSISTANCE AND RESOURCES AVAILABLE FOR RESIDENTS

- Ongoing policy of no water shut-offs for non-payment
- Exemptions for seniors and others (e.g., clauses 17D and 41C)
  - *Visit the Assessor's office page on the City Website <https://www.somervillema.gov/departments/finance/assessing>*
- *Water Affordability program*
  - *Call (617)665-6234*
  - *[cambridgema.gov/iwantto/applyforfuelassistance](https://www.cambridgema.gov/iwantto/applyforfuelassistance)*



# UPCOMING CITY ASSISTANCE PROGRAM

- Preliminary program details:
  - Owner-occupied households
  - This program, initially, will be a three-year pilot program, set to begin accepting applications in 2024
  - \$500/\$1000 tiered assistance
- Updated Abatement Policy



The background of the slide features a large, semi-transparent circular logo for the City of Somerville Water & Sewer. The logo contains a stylized water drop at the top, followed by three wavy lines representing water. The words "WATER & SEWER" are arched across the top, and "CITY OF SOMERVILLE" is arched across the bottom, separated by two stars. The entire image has a green-to-blue gradient background with faint circular patterns.

QUESTIONS?