

Water & Sewer FY2027 Rate Proposal

Public Hearing

28 May 2028



Water & Sewer Enterprise Expenses

What do the rates pay for next year?

Water & Sewer Operations & Maintenance

Critical work to deliver safe drinking water, safely handle sewage and stormwater, and provide on-demand fire protection

Delivering Vital Life-Sustaining Services 24 hours a day, 365 days a year

Quality
Water



Safe Sewer
Services



Fire
Suppression



Overseeing Our Water & Sewer System

- **116** miles of water mains
- **183** miles of sewer mains
- **4,800+** manholes
- **3,600+** catch basins
- **1,600+** fire hydrants
- **29,000+** water & sewer connections



Sustaining Aging Infrastructure

- **Aging Infrastructure:** Many of our underground water pipes date back to the late 1800s, significantly increasing the risk of failures and service disruptions.
- **Rising Maintenance Costs:** There is growing concern about the escalating cost of maintaining and repairing these aging systems.
- **Increased Material Costs:** The cost of pipe and fittings required for repairs continues to rise, further straining maintenance budgets and long-term sustainability.



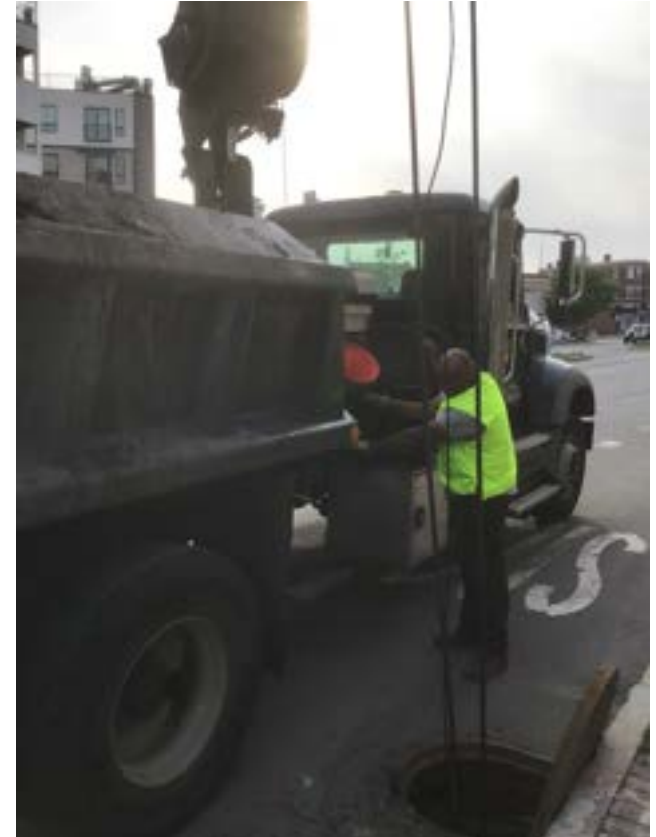
Snapshot of Select Water Services FY26

- **Emergency Responses:**
 - Addressed 35 urgent issues to ensure public health and safety.
- **Non-Emergency Maintenance:**
 - Completed 219 tasks (curb stop resets, hydrant and valve replacements) to maintain system reliability.
- **Water Quality Monitoring:**
 - Collected 84 water samples *monthly* to ensure safe, compliant drinking water.
- **Lead Sampling:**
 - Collected 20 samples from homes and 2 from schools/daycares annually to monitor and reduce lead exposure.



Snapshot of Select Sewer Operations FY26

- Responded to over 260 Q-alert/311 request in the last year
- 2,816 Dig safe requests
- Over 46 sewer back-ups
- 58 Manhole cover matters
- Investigated 63 reported sinkholes
- Hydraulically cleaned 5,420 ft of sewer line
- Secured property on 508 Columbia St and set up staging area to offload catch basin tailings for catch basin cleaning and contract with a vendor for disposal.



Field Staffing Updates

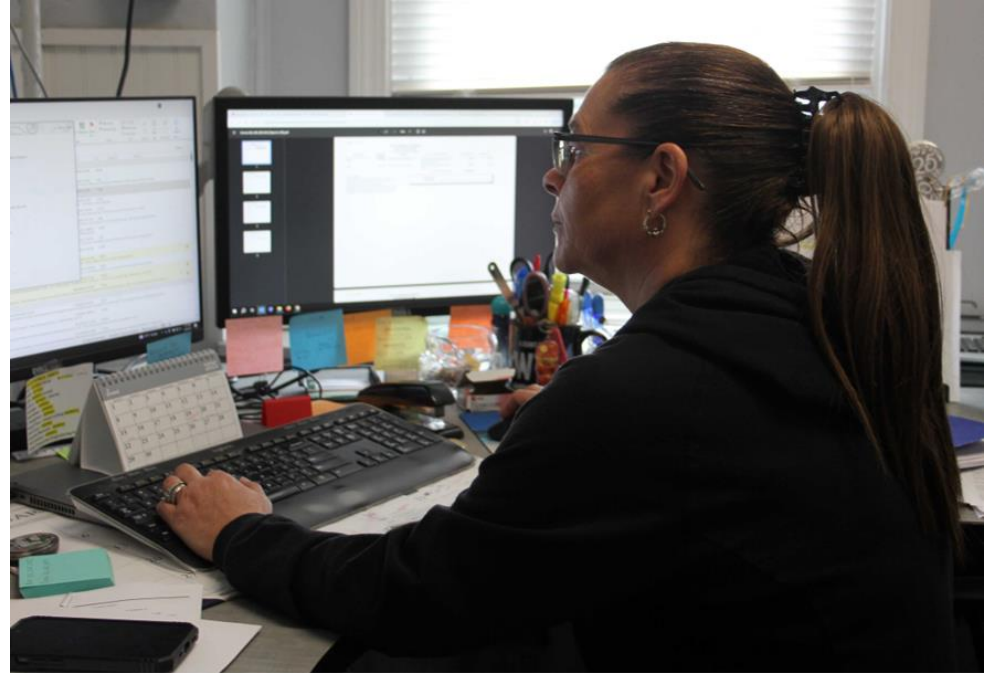
- New Hires
 - Hired two Water Laborers (June 1, 2026)
- Open Positions
 - Director of Water & Sewer Operations
 - SHMEO/Catch Basin Cleaner (Sewer)
 - HMEO/Laborer (Water)
 - SHMEO (Water)

Administration and Billing

Critical support work to operate a public utility

Snapshot of Billing & Administration FY26

- 51,069 bills generated to date, estimated 61,750 by year end
- 15,440 mailers sent out updating account holders of quarterly billing schedule
- 76 new accounts created
- 815 meters replaced
- 15,070 accounts in Waterscope
 - 5,237 registered accounts
- Over 1,115 accounts reconciled
- 25 meter tests – 100% passed
- \$1,226,992.82 in delinquent bills liened to tax



Billing & Admin Staffing Updates

- New Hires
 - Director of Finance & Admin (Sept. 2025)
 - Service Operations Manager (Oct. 2025)
 - Billing Analyst (Nov. 2025)
 - Three Principal Clerks (Oct. 2025; Jan. 2026; Mar. 2026)
 - Utility Billing Manager (May 2026)
- Open Positions
 - Systems Analyst (May 2026)



Understanding your Water & Sewer Bill

Understanding your Water & Sewer Bill

Charges

- Base charges: static rate, based on meter size
- Volumetric charges: dynamic, based on actual consumption

- 1 unit = 100 cubic feet = 748 gallons
- Units billed per cycle at tiered rates
- Each tier “filled” before being charged at next tiered rate



Water and Sewer Department Bill

17 Franey Rd
Somerville, MA 02145
617-625-6600 x. 5850

Keep this portion for your records
MAKE CHECKS PAYABLE TO:
CITY OF SOMERVILLE
P.O. BOX 197
SOMERVILLE, MA 02143-0197

Customer Name		Service Address						
[REDACTED]		[REDACTED]						
Bill Number	Bill Date	Account Number - Customer Number					Current Billing Due Date	
[REDACTED]	05/07/2026	[REDACTED]					06/22/2026	
Description	Meter	Previous Read Date	Current Read Date	Previous Meter Reading	Current Meter Reading	Read Code	Usage 100 cu. ft.]	Charge
WATER RESIDENTIAL	[REDACTED]	02/15/2026	05/01/2026	1799	1841	W	42	410.67
SEWER RESIDENTIAL								703.50
WATER RESIDENTIAL BASE								15.00
SEWER RESIDENTIAL BASE								30.00

Understanding your Water & Sewer Bill

TABLE 1: RESIDENTIAL VOLUMETRIC USAGE CHARGES

Tier	Tier Range	\$Rate/Unit		Blended
		Water	Sewer	
1	0-9	\$7.30	\$12.31	\$19.61
2	10-18	\$9.13	\$15.63	\$24.76
3	Over 18	\$10.95	\$18.76	\$29.71

TABLE 2: COMMERCIAL VOLUMETRIC USAGE CHARGES

Tier	Tier Range	\$Rate/Unit		Blended
		Water	Sewer	
1	0-19	\$7.28	\$14.02	\$21.30
2	20-100	\$10.48	\$17.89	\$28.37
3	101-200	\$10.97	\$18.76	\$29.73
4	Over 200	\$11.41	\$19.42	\$30.83

TABLE 3: BASE CHARGES

Meter Size	Water		Sewer		Blended	
	Quarterly	Annually	Quarterly	Annually	Quarterly	Annually
5/8"	\$15	\$60	\$30	\$120	\$45	\$180
3/4"	\$22.50	\$90	\$45	\$180	\$68	\$270
1"	\$37.50	\$150	\$75	\$300	\$113	\$450
1 1/2"	\$75	\$300	\$150	\$600	\$225	\$900
2"	\$120	\$480	\$240	\$960	\$360	\$1,440
3"	\$326.25	\$1,305	\$653	\$2,612	\$979	\$3,917
4"	\$562.50	\$2,250	\$1,125	\$4,500	\$1,688	\$6,750
6"	\$1,200	\$4,800	\$2,400	\$9,600	\$3,600	\$14,400
8"	\$2,100	\$8,400	\$4,200	\$16,800	\$6,300	\$25,200

Understanding your Water & Sewer Bill

Charges

- Base charges: static rate, based on meter size
- Volumetric charges: dynamic, based on actual consumption
- 1 unit = 100 cubic feet = 748 gallons
- Units billed per cycle at tiered rates
- Each tier “filled” before being charged at next tiered rate

WATER				SEWER			
Range	#Units	\$/Unit	\$Charge	Range	#Units	\$/Unit	\$Charge
0-9	9	\$7.30	\$65.70	0-9	9	\$12.51	\$112.59
10 to 18	9	\$9.13	\$82.17	10 to 18	9	\$15.63	\$140.67
19+	24	\$10.95	\$262.80	19+	24	\$18.76	\$450.24
	42				42		
Sub-Total Water Usage:			\$410.67	Sub-Total Sewer Usage:			\$703.50
Base Fee	\$15.00	\$15.00	\$15.00	Base Fee	\$30.00	\$30.00	\$30.00
Sub-Total Water Base Fee:			\$15.00	Sub-Total Sewer Base Fee:			\$30.00
Total Water Charges:			\$425.67	Total Sewer Charges:			\$733.50
							\$1,159.17

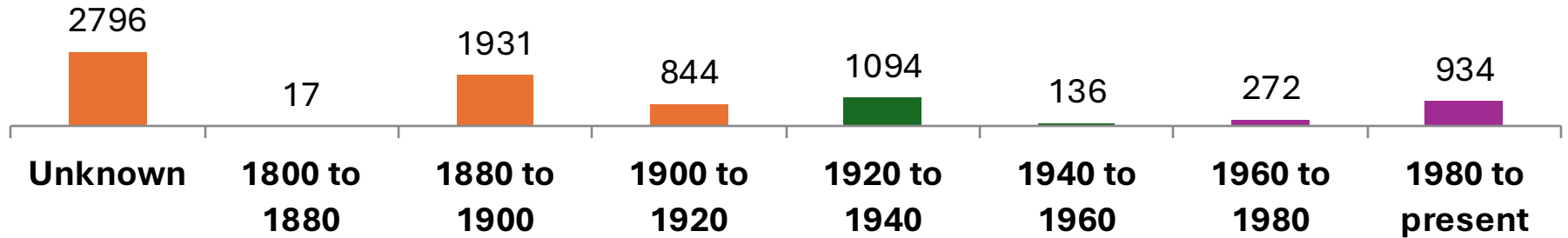
Capital Investment Plan

Primary driver for future rate increases

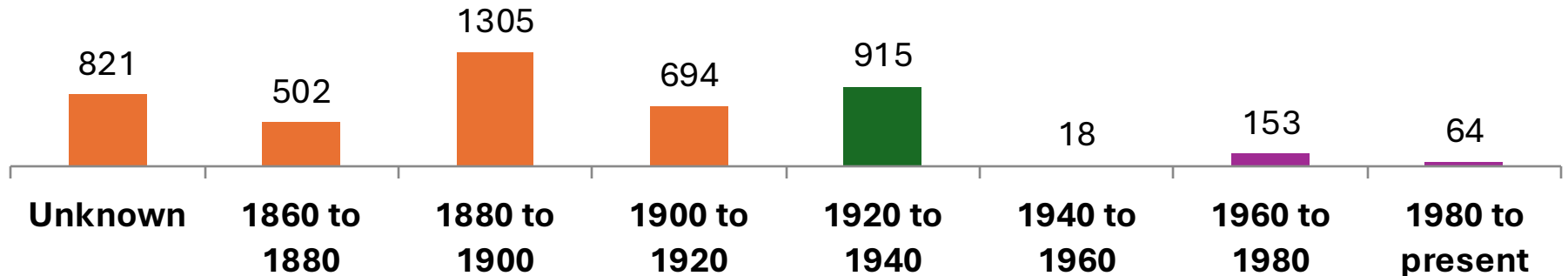
Aging infrastructure

- 90% pipes are over 50 years old
- 70% are older than 100 years

Water Line Pipe Segments Built



Sewer & Drain Line Pipe Segments Built



Old pipes pose risk; outdated system fails to achieve regulatory and service goals

Water system modes of failure

- Capacity



- Quality



- Condition (tuberculation)



- Condition (main break)

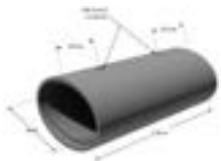


- Condition (valve operation)



Sewer system modes of failure

- Capacity



- Flow type (I/I)



- Quality (CSO/MS4)



- Condition (buildup)



- Condition (collapse)



Guiding Principles for CIP Project Selection

- Fulfill Regulatory Requirements
 - Comply with Administrative Orders and Permits
 - Mitigate CSOs
- Improve Level of Service
 - Increase capacity to deliver water
 - Decrease sewer system backups
- Mitigate Flooding
 - Add capacity and storage to reduce surface flooding
- Reduce Risk
 - Rehabilitate or replace pipes before they fail
 - Prioritize pipes with greatest impact
 - Add water valves and sewer manholes to improve operations & maintenance

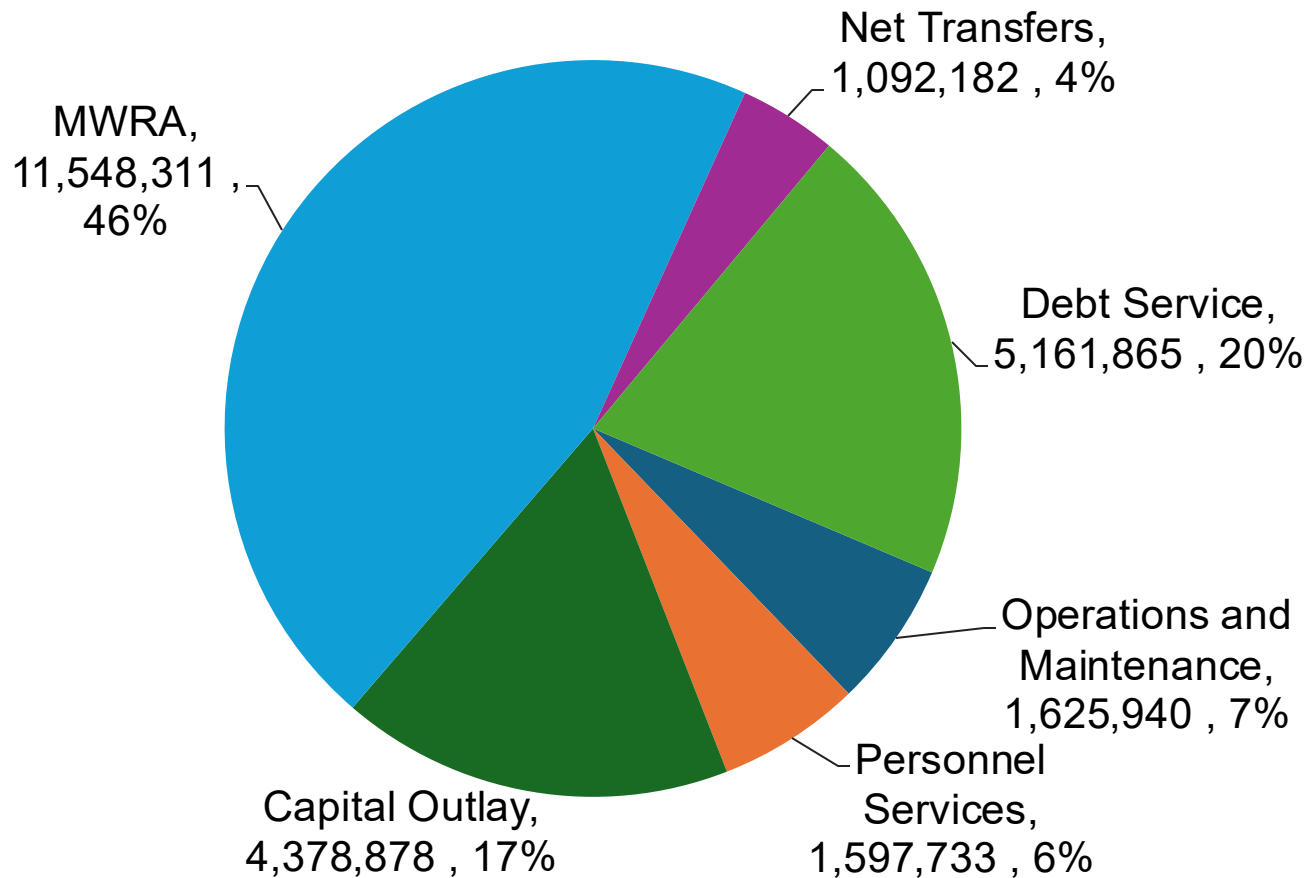
Water & Sewer Rate Analysis

What goes into annual rate increase recommendations?

Fiscal outlook for FY27

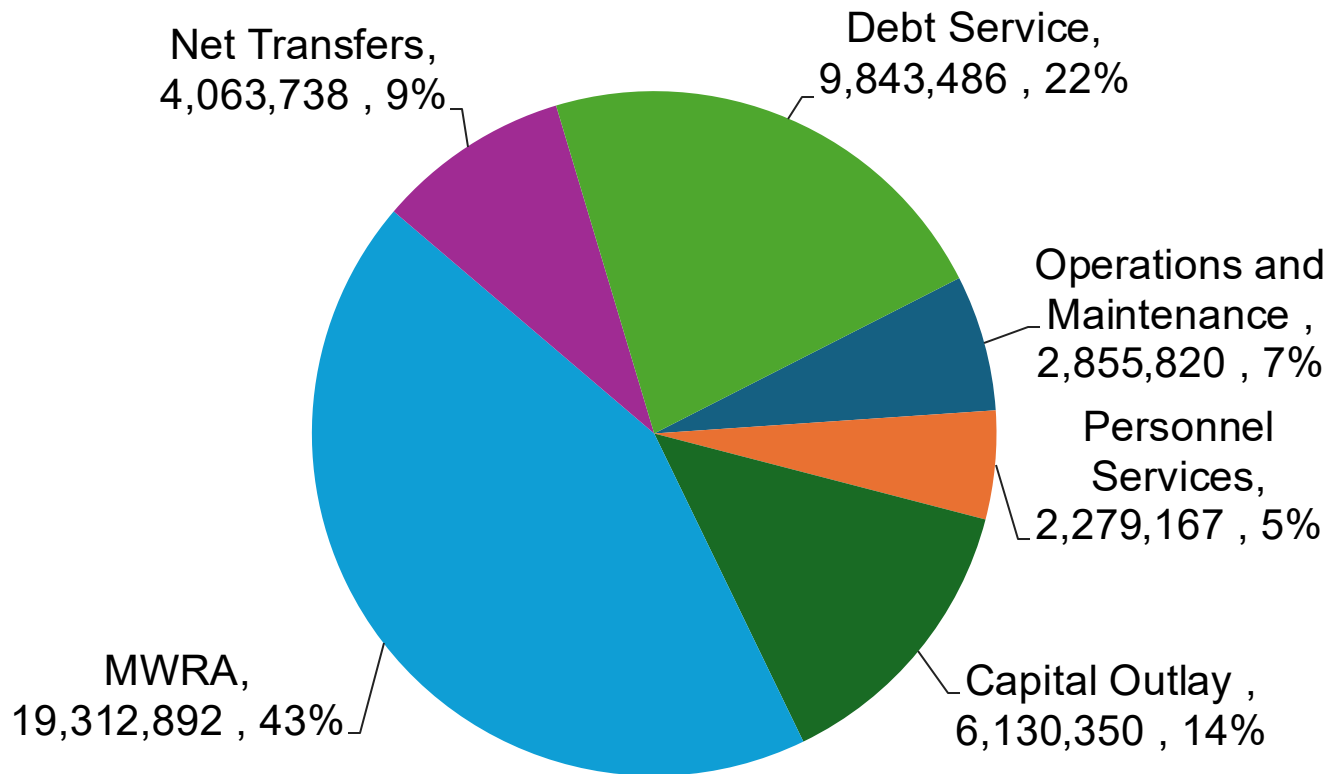


Water FY 2027 –Expenses by Category

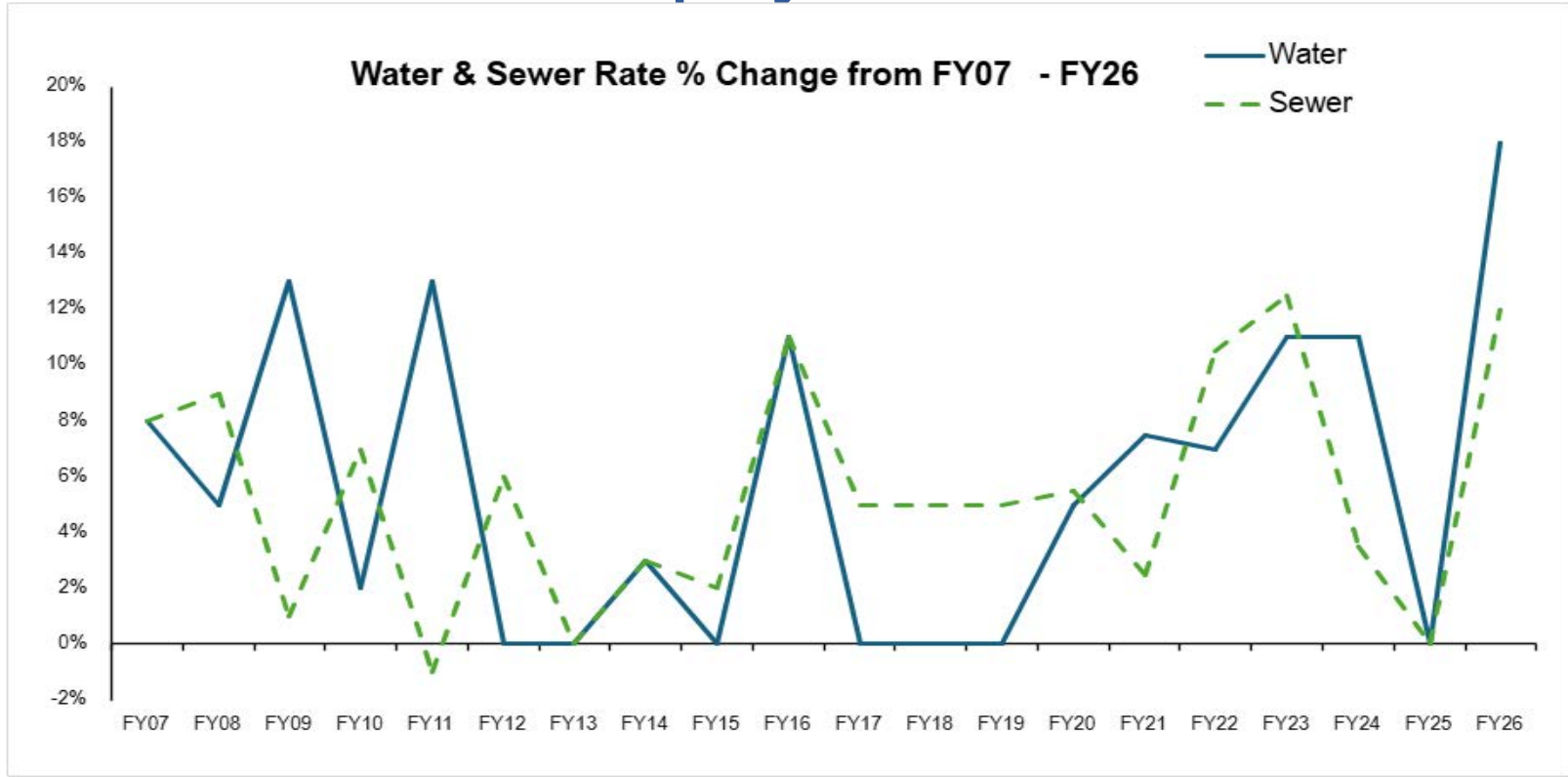




Sewer FY 2027 – Expenses by Category



Goal: stabilize rates, made them more predictable for rate payers



Revenue Sufficiency Components

- Shift to proactive approach since 2017
- Reduce volatility
- Steadily align rates with long-term revenue needs

Capital projects & debt service become primary driver for rates



Long-range rate projections

Avoid year-to-year swings and future rate shock

Rate model and dashboard

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2026	FY 2031
Water Rate Increases	0.00%	0.00%	45.00%	14.00%	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	82.28%	119.35%
Debt Service Coverage (1.25 Target)	1.20	0.67	1.79	1.92	1.73	1.68	1.65	1.61	1.56	1.48	1.48	Growth	Normal
Debt Service / Revenue	19.3%	27.0%	22.9%	24.2%	27.4%	28.8%	29.9%	31.0%	32.0%	33.6%	33.3%		
Tri-Annual Single-Family Bill @ 18 CCF	\$139.49	\$139.49	\$193.31	\$217.52	\$227.40	\$237.79	\$248.64	\$260.08	\$267.27	\$274.64	\$282.24	Check	-
Net Cash Flow (\$ M)	\$1.65	-\$5.20	\$0.80	\$3.54	\$2.61	\$2.44	\$2.39	\$2.26	\$1.47	\$0.16	\$0.00		

Operating Fund



Revenues vs. Expenses



Stabilization Fund



	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Revenues	\$18,210,539	\$26,136,907	\$29,926,302	\$31,592,049	\$33,272,255	\$35,039,642	\$36,899,159	\$38,159,021	\$39,427,418	\$40,728,699
Operating Expenses	\$18,970,264	\$19,746,235	\$20,555,461	\$21,399,422	\$22,279,672	\$23,197,833	\$24,155,604	\$25,154,762	\$26,197,166	\$27,284,764
Net Debt Service	4,435,767	5,380,992	5,616,710	7,365,114	8,325,127	9,215,072	10,244,643	11,289,352	12,813,743	13,178,725
Cash Funded Projects	-	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955
Total Expenses	\$23,406,031	\$25,333,227	\$26,384,350	\$28,983,082	\$30,829,901	\$32,644,760	\$34,639,057	\$36,690,089	\$39,264,264	\$40,724,444
Net Cash Flow	(\$5,195,491)	\$803,679	\$3,541,952	\$2,608,967	\$2,442,354	\$2,394,882	\$2,260,102	\$1,468,932	\$163,154	\$4,255
Stabilization Fund Balance	\$1,022,683	\$1,020,227	\$1,020,202	\$1,020,202	\$1,020,202	\$1,020,202	\$1,020,202	\$1,020,202	\$1,020,202	\$1,020,202
Operating Fund Balance	\$1,296,939	\$1,930,494	\$4,272,232	\$6,028,457	\$7,678,091	\$9,295,522	\$10,826,108	\$11,859,526	\$12,074,065	\$12,186,442
Total Fund Balance	2,319,622	2,950,721	5,292,434	7,048,659	8,698,293	10,315,724	11,846,310	12,879,728	13,094,267	13,206,644
Total Debt Service	\$4,904,051	\$5,973,799	\$7,237,151	\$8,638,058	\$9,538,049	\$10,412,725	\$11,394,361	\$12,145,069	\$13,182,560	\$13,490,805

Operating fund target & Revenues vs. Expenses

FY 2025 FY 2026 FY 2027 FY 2028 FY 2029 FY 2030 FY 2031 FY 2032 FY 2033 FY 2034 FY 2035 FY 2026 FY 2031

- Keep fund balance near but above revenue requirement target projection, create ability to cash-fund capital projects

Net Cash Flow (\$ M) \$1.65 **-\$5.20** \$0.80 \$3.64 \$2.61 \$2.44 \$2.39 \$2.26 \$1.47 \$0.16 \$0.00

Operating Fund



Revenues vs. Expenses



Stabilization Fund



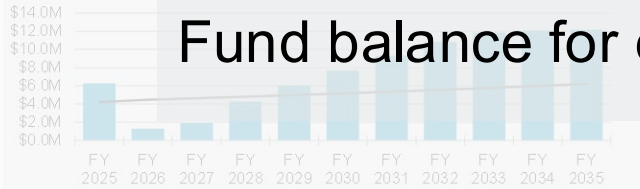
- Align revenues with expenses

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Revenues	\$18,210,539	\$26,136,907	\$29,926,302	\$31,592,049	\$33,272,255	\$35,039,642	\$36,899,159	\$38,159,021	\$39,427,418	\$40,728,699
Cash Funded Projects	-	206,000	212,180	218,545	225,102	231,855	238,810	245,975	253,354	260,955
Total Expenses	\$23,406,031	\$25,333,227	\$26,384,350	\$28,983,082	\$30,829,901	\$32,644,760	\$34,639,057	\$36,690,089	\$39,264,264	\$40,724,444
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Stabilization Fund

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Water Rate Increases	0.00%	0.00%	45.00%	14.00%	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	82.28%	119.35%
Debt Service Coverage (1.25 Target)	1.20	0.67	1.79	1.92	1.73	1.68	1.65	1.61	1.56	1.48	1.48	Growth	Normal
Debt Service / Revenue	19.3%	27.0%	22.9%	24.2%	27.4%	28.8%	29.9%	31.0%	32.0%	33.6%	33.3%		
Tri-Annual Single-Family Bill @ 18 CCF	\$139.49	\$139.49	\$193.31	\$217.52	\$227.40	\$237.79	\$248.64	\$260.08	\$267.27	\$274.64	\$282.24	Check	
Net Cash Flow (\$ M)	\$1.65	-\$5.20	\$0.80	\$3.54	\$2.61	\$2.44	\$2.39	\$2.26	\$1.47	\$0.16	\$0.00		

Operating Fund



Goal: Maintain Stabilization Fund balance for emergencies

Revenues Expenses



Stabilization Fund



	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Revenues	\$18,210,539	\$26,136,907	\$29,926,302	\$31,592,049	\$33,272,255	\$35,039,642	\$36,899,159	\$38,159,021	\$39,427,418	\$40,728,699
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Debt service coverage, Debt service to Revenue ratio

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Net Cash Flow (\$ M)	\$1.65	-\$5.20	\$0.80	\$3.54	\$2.61	\$2.44	\$2.39	\$2.26	\$1.47	\$0.16	\$0.00		

Goal: Manage debt service within targets to maintain bond rating and keep capital projects affordable

Key take-away: Capital projects and future debt service are primary drivers for today's rate increases

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035
Revenues	\$18,219,264	\$19,746,235	\$20,395,461	\$21,339,411	\$22,279,872	\$23,197,853	\$24,105,804	\$25,194,762	\$26,197,166	\$27,284,764	\$28,284,764
Operating Expenses	\$18,970,264	\$19,746,235	\$20,395,461	\$21,339,411	\$22,279,872	\$23,197,853	\$24,105,804	\$25,194,762	\$26,197,166	\$27,284,764	\$28,284,764
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Look back at FY2026 Proposal

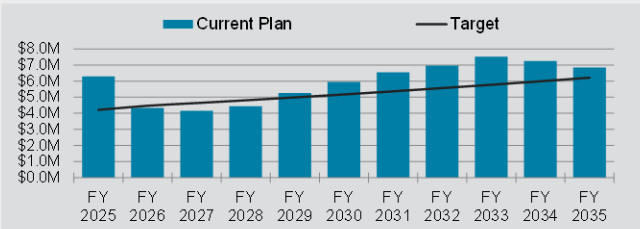
What was predicted for FY27 in May/June 2025?

May/June 2025 Forecast

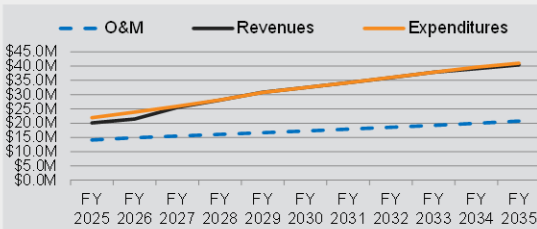
Water FY26 – 18% increase

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2026	FY 2031
Water Rate Increases	0.00%	18.00%	18.00%	10.00%	10.00%	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	77.22%	117.54%
Debt Service Coverage (1.25 Target)	1.20	1.29	1.65	1.64	1.62	1.58	1.55	1.51	1.52	1.44	1.45	Growth	Normal
Debt Service / Revenue	19.3%	23.2%	23.7%	26.0%	28.3%	29.6%	30.7%	32.0%	32.4%	34.0%	33.7%		
Tri-Annual Single-Family Bill @ 18 CCF	\$139.49	\$161.04	\$186.48	\$203.14	\$221.49	\$231.60	\$242.22	\$253.30	\$264.97	\$272.34	\$279.89	Check	-
Net Cash Flow (\$ M)	\$1.65	-\$2.15	-\$0.39	\$0.26	\$1.12	\$0.91	\$0.75	\$0.49	\$0.69	-\$0.47	-\$0.60		

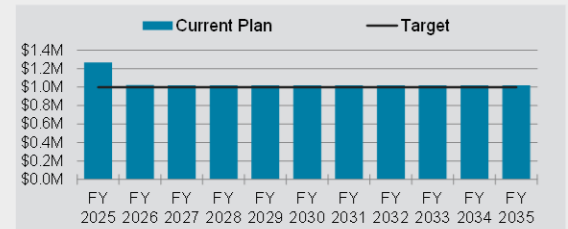
Operating Fund



Revenues vs. Expenses



Stabilization Fund

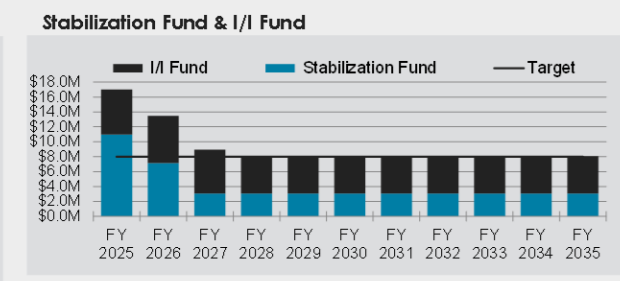
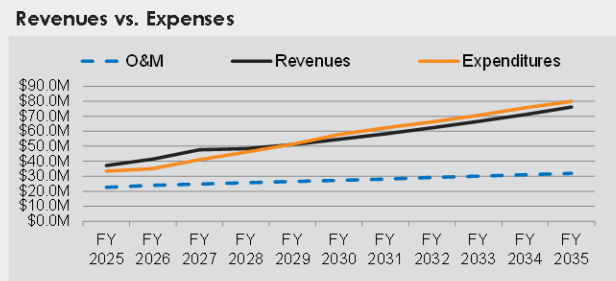
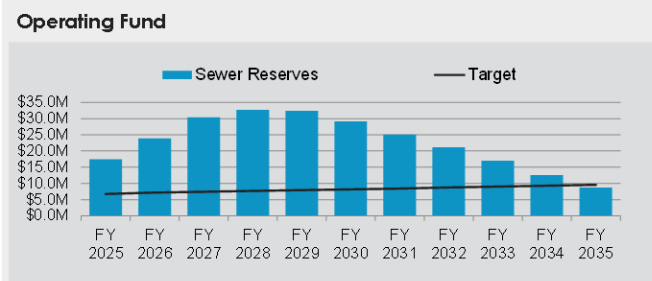


- Projected 18% for FY27, 10% for FY28 & FY29; Reduce thereafter

May/June 2025 Forecast

Sewer FY26 – 12% increase

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2027	FY 2032
Sewer Usage Rate Plan	0.00%	12.00%	12.00%	12.00%	10.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	65.28%	131.79%
Debt Service Coverage (1.25 Target)	1.55	1.90	1.82	1.52	1.28	1.10	1.07	1.08	1.08	1.08	1.10	Scenario Manager	
Debt Service / Revenue	18.3%	17.1%	21.0%	28.1%	36.4%	44.1%	47.1%	47.9%	49.5%	51.5%	52.1%	Growth	Normal
Tri-Annual Single-Family Bill @ 18 CCF	\$272.53	\$300.43	\$331.66	\$366.58	\$399.22	\$424.38	\$451.28	\$480.05	\$510.87	\$543.87	\$579.15	Check	-
Combined Tri-Annual W&S Single-Family Bill	\$412.02	\$455.02	\$503.19	\$548.73	\$592.76	\$630.05	\$662.53	\$697.11	\$733.84	\$772.93	\$814.48	Stormwater Fee	No
Net Cash Flow (\$ M)	\$3.81	\$7.11	\$7.29	\$2.29	-\$0.34	-\$3.29	-\$4.13	-\$3.73	-\$3.85	-\$4.21	-\$3.63		



- Projected 12% increase for FY27 & FY28; reduce thereafter

March 2026 Update

Combined Sewer Overflow Plan

Dashboard	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039	FY 2040
Usage Rate Increase - Override	N/A	12.00%														
Usage Rate Increase	N/A	12.00%	20.00%	17.00%	17.00%	17.00%	10.00%	9.00%	5.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Base Rate Increase	N/A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Balance Excess/Deficiency	\$ 10,686,098	\$ 36,293,181	\$ 23,929,719	\$ 34,996,960	\$ 40,296,667	\$ 50,442,891	\$ 64,410,581	\$ 78,884,883	\$ 94,687,012	\$ 111,481,573	\$ 114,830,633	\$ 104,570,784	\$ 88,182,200	\$ 74,131,204	\$ 58,412,398	\$ 50,745,800
Debt Service Coverage	1.80	2.11	2.36	2.00	1.91	1.89	2.08	2.15	2.11	2.09	2.18	2.17	2.12	2.07	2.04	1.97
Annual Bill SFR	\$817.59	\$851.70	\$906.04	\$1,047.31	\$1,321.95	\$1,526.28	\$1,666.91	\$1,806.13	\$1,890.44	\$1,943.55	\$1,960.02	\$2,017.22	\$2,055.17	\$2,093.87	\$2,133.30	\$2,173.61
Debt Service/Revenue	54.97%	15.42%	17.88%	23.48%	28.11%	29.88%	30.10%	30.15%	31.18%	32.08%	31.55%	31.73%	32.36%	33.40%	33.70%	33.99%
Cash Funded CIP - Override																
Cash Funded CIP			\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 21,000,000	\$ 35,000,000	\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	\$ 30,000,000
Debt Funded Project Costs			\$ -	\$ 2,388,680	\$ 341,901	\$ 474,218	\$ 2,912,667	\$ 4,860,740	\$ 2,778,198	\$ 553,658	\$ 1,328,664	\$ 16,127,786	\$ 24,235,133	\$ 6,621,640	\$ 10,888,232	

Baseline Scenario	No	CALCULATE	FCR Alternative 1 - Residential Indicator	Baseline	1-LTD	3-TY	3-95	4-5Y-5M	5-5Y-5L	6-25Y-5M	7-25Y-5L
Alternative Scenario	3-TY		1.33%	1.34%	1.43%	1.68%	1.55%	1.38%	1.54%	1.28%	
Total CSO CIP Capital Cost	\$ 371,133,841										
CPH	1.874										
Residential Indicator	1.43%		Baseline:	No							
			Alternative:	3-TY							

- Projected 20% increase for FY27
- Plus 17% for FY28 thru FY30

Combined Sewer Overflow (CSO) Plan Update

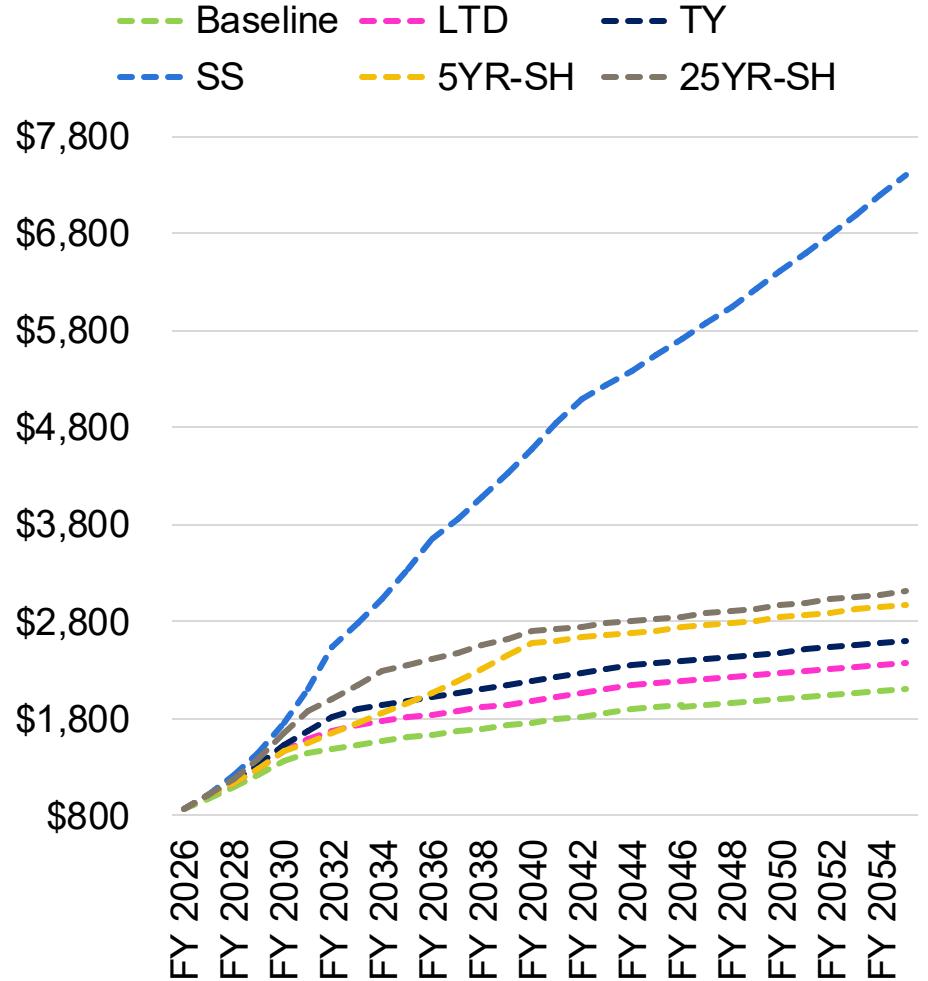
... and the EPA Definition of Financial Capability



Alternative 2 – Single Family Residential Bills*

Alternatives	Current FY 2026 Annual Bill	Projected FY 2055 Annual Bill	Percent Change
Baseline	\$852	\$2,094	+146%
LTD	\$852	\$2,367	+178%
TY	\$852	\$2,600	+205%
SS	\$852	\$7,409	+770%
5YR-SH	\$852	\$2,976	+249%
25YR-SH	\$852	\$3,109	+265%

*Assumes annual consumption of 54 CCF for the average single family residential customer.



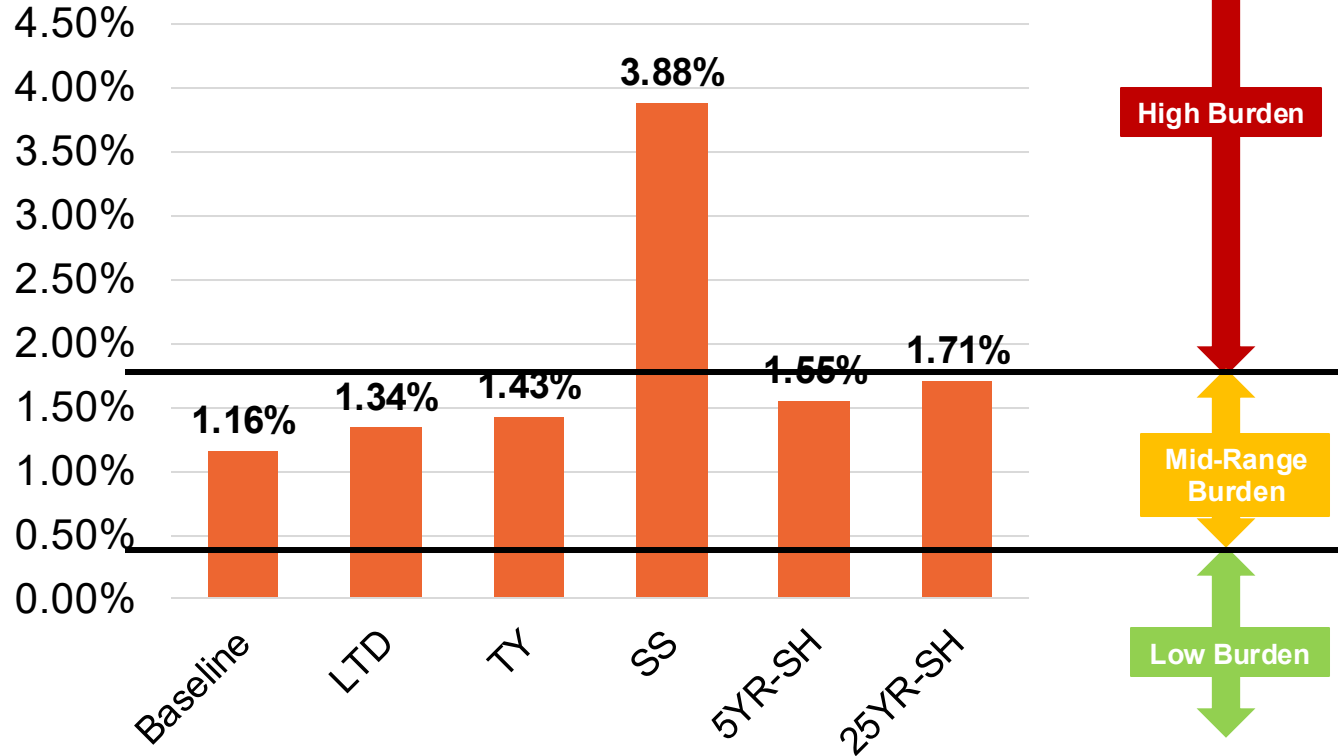


ALT 1 Residential Indicator

All Scenarios are **Mid-Range Burden** except for SS (Full Sewer Separation) - which is **High Burden**.

DRAFT – FOR DISCUSSION PURPOSES ONLY

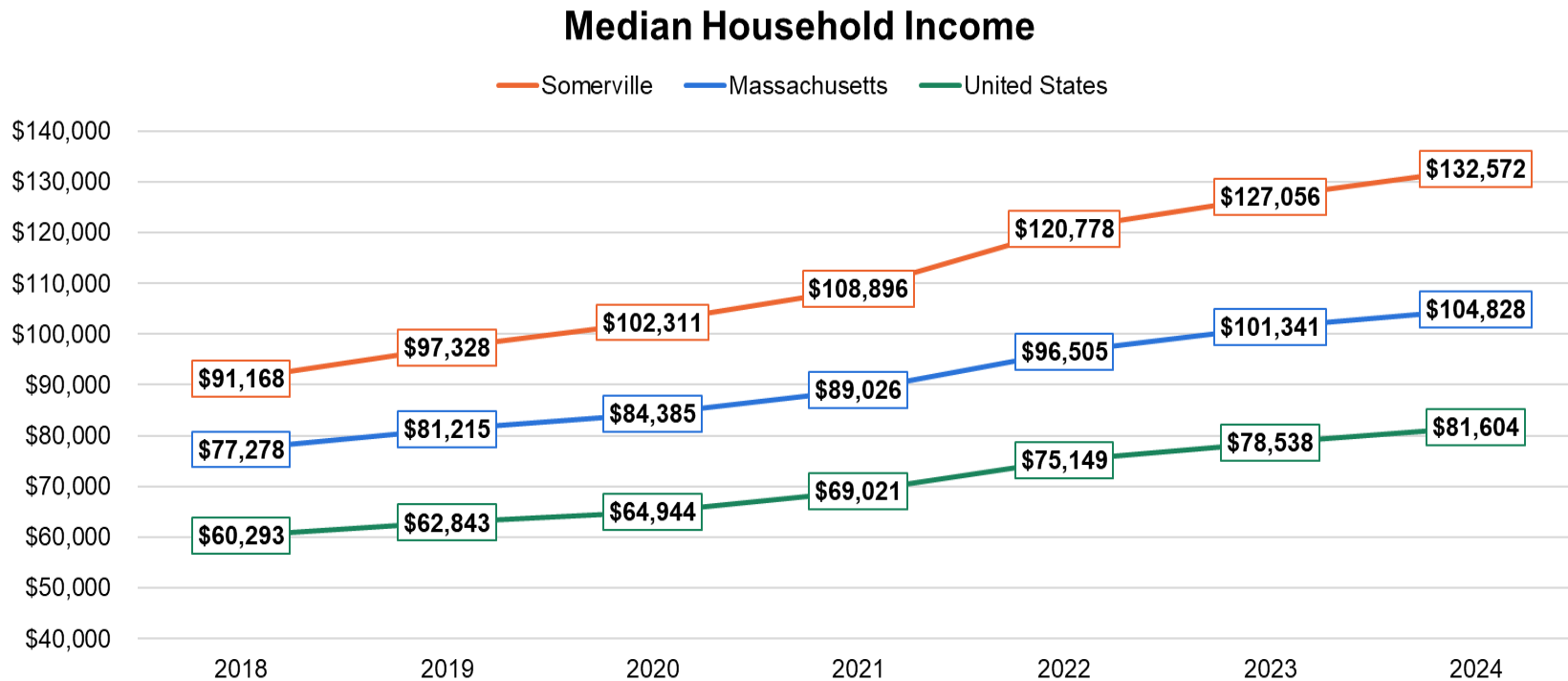
FCA Alternative 1 - Residential Indicator





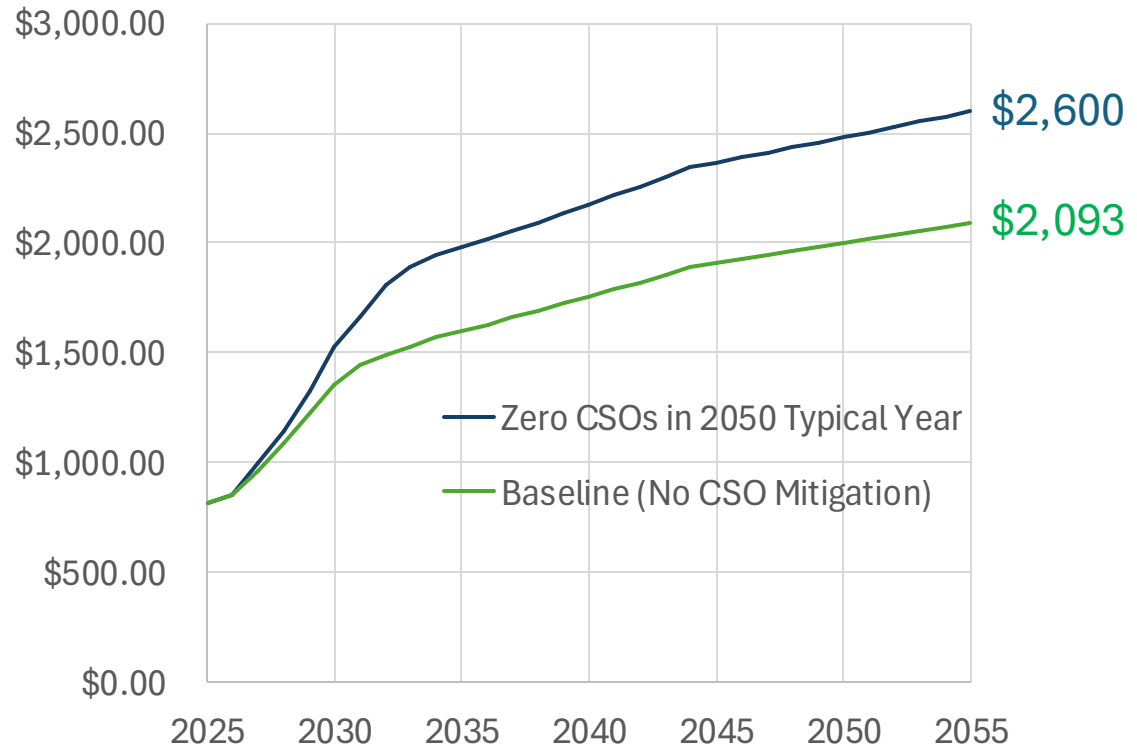
Income Levels

2018-2024 Median Household Income



Plan for the financial health of the Sewer Enterprise to meet our requirements


	Baseline	2-TY
FY 2025	N/A	N/A
FY 2026	12.0%	12.0%
FY 2027	15.0%	20.0%
FY 2028	15.0%	17.0%
FY 2029	14.0%	17.0%
FY 2030	12.0%	17.0%
FY 2031	7.5%	10.0%
FY 2032	3.0%	9.0%
FY 2033	3.0%	5.0%
FY 2034	3.0%	3.0%
FY 2035	2.0%	2.0%
FY 2036	2.0%	2.0%




CSO Public Meeting 2 June 2026

- Learn more & download report:
 - <https://voice.somervillema.gov/joint-cso-planning>
- Register for public meeting:
 - https://cbi-org.zoom.us/webinar/register/WN_jwEuHd3VRYW6sWlceXlIVw#/registration
 - Or through Somerville's "Events" page
- Submit public comment:
 - <https://us.planengage.com/updatedcsocontrolplan/page/home>


Draft Updated Combined Sewer Overflow Control Plan for Alewife Brook, Upper Mystic River, and Charles River



Charles River






Alewife Brook



Upper Mystic River

Submitted by City of Cambridge, City of Somerville, and Massachusetts Water Resources Authority in accordance with the requirements of the 2024 Final Determinations to Adopt a Water Quality Standards Variance for Combined Sewer Overflow (CSO) Discharges to the Alewife Brook/Upper Mystic River Basin and to the Lower Charles River/Charles Basin

April 30, 2026



FY2027 Water & Sewer Rate Recommendations



Water – 15% 2027 Rate Increase

	FY 2024	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2024	FY 2031
Water Rate Increases		15.00%	10.00%	10.00%	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	53.42%	84.79%
Debt Service Coverage (1.25 Target)	1.66	2.23	1.71	1.71	1.67	1.64	1.60	1.61	1.53	1.54	1.45	Growth	Normal
Debt Service / Revenue	23.5%	19.8%	27.6%	29.4%	30.5%	31.5%	32.5%	32.7%	34.1%	33.7%	35.3%		
Tri-Annual Single-Family Bill @ 18 CCF	\$162.87	\$187.35	\$206.09	\$226.71	\$238.10	\$250.00	\$262.49	\$275.67	\$284.41	\$293.48	\$302.80	Check	
Net Cash Flow (\$ M)	\$3.17	\$4.59	\$1.67	\$2.77	\$2.65	\$2.57	\$2.40	\$2.88	\$1.43	\$1.29	-\$0.33		

Operating Fund



Revenues vs. Expenses



Stabilization Fund

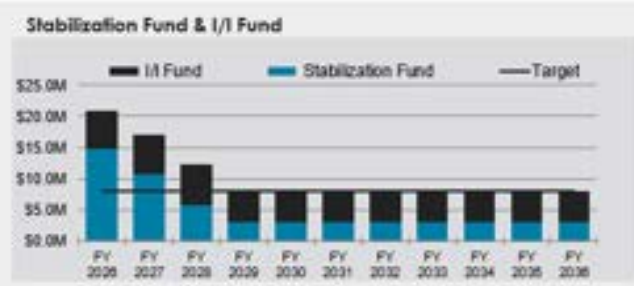


- Less than 18% projected in May/June 2025
- Cash receipts in FY25 and FY26 better than historical levels
- Builds up cash to fund capital projects starting in FY29 to keep within Debt Service/Revenue requirements
- Rate increases reduce after FY29



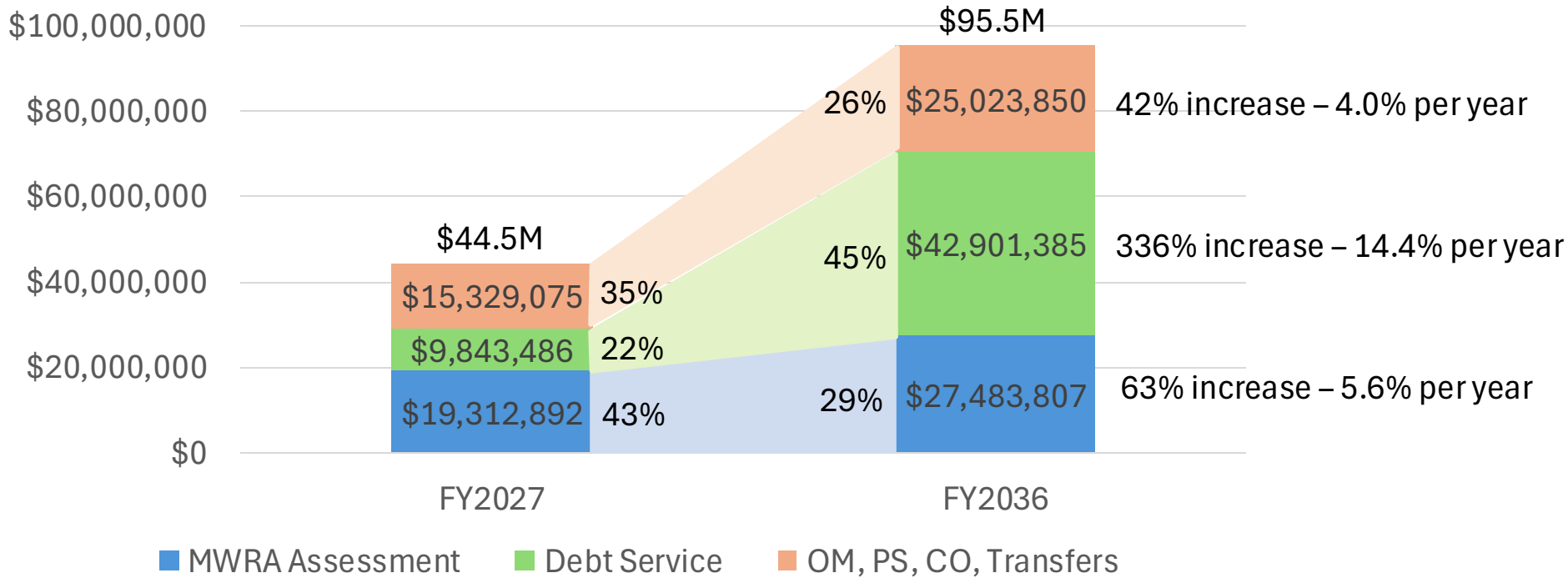
Sewer – 15% 2027-2029 Rate Increase

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2027	FY 2032
Sewer Usage Rate Plan		15.00%	15.00%	15.00%	10.00%	10.00%	10.00%	5.00%	5.00%	5.00%	5.00%	84.01%	146.12%
Debt Service Coverage (1.25 Target)	2.71	2.12	2.14	1.89	1.68	1.67	1.75	1.68	1.59	1.55	1.48	Scenario Manager	
Debt Service / Revenue	15.3%	21.9%	24.2%	30.0%	35.4%	36.8%	36.4%	38.4%	40.6%	41.8%	44.2%	Growth	Normal
Tri-Annual Single-Family Bill @ 18 CCF	\$283.26	\$321.24	\$364.98	\$415.20	\$453.72	\$496.11	\$542.73	\$568.38	\$595.29	\$623.55	\$653.25	Check	-
Combined Tri-Annual W&S Single-Family Bill	\$446.13	\$454.86	\$513.54	\$573.12	\$621.72	\$674.82	\$726.39	\$757.17	\$789.30	\$822.96	\$858.15	Stormwater Fee	No
Net Cash Flow (\$ M)	\$8.01	\$14.94	\$20.53	\$20.46	\$17.04	\$20.10	\$25.66	\$25.04	\$23.74	\$23.73	\$21.81		



- Less than 20% projected in April 2026
- Cash receipts in FY25 and FY26 better than historical levels
- Extended implementation/spend schedule for CIP
- Builds up cash to fund capital projects starting in FY29 to keep within Debt Service/Revenue requirements
- Still requires significant rate increases through FY33 for CIP

Projected expenditure changes





Key Customer Impacts (15% Water and Wastewater Rate Adjustment)

Total Change in Annual Costs for Various Billing Units (including base & volumetric charges, amended)

Total Units per Bill (in CCF)	FY 2026	FY 2027	\$ Change	
	Annual Total	Annual Total	(FY 2027 - FY 2026)	% Change
15 (average condo unit)	\$1,487	\$1,711	\$223	15%
18 (average single-family home)	\$1,785	\$2,052	\$413	15%
30 (average two-family home)	\$3,211	\$3,692	\$818	15%
42 (average three-family home)	\$4,637	\$5,332	\$1,222	15%
110 (average 8-unit apartment building)	\$12,988	\$14,934	\$3,568	15%

Proposed FY27 Rate Table – 15% Increases to Water and Sewer

TABLE 1: RESIDENTIAL VOLUMETRIC USAGE CHARGES

\$Rate/Unit

Tier	Tier Range	Water	Sewer	Blended
1	0-9	\$8.40	\$14.16	\$22.55
2	10-18	\$10.50	\$17.97	\$28.47
3	Over 18	\$12.59	\$21.57	\$34.17

TABLE 2: COMMERCIAL VOLUMETRIC USAGE CHARGES

\$Rate/Unit

Tier	Tier Range	Water	Sewer	Blended
1	0-19	\$8.37	\$16.12	\$24.50
2	20-100	\$12.05	\$20.57	\$32.63
3	101-200	\$12.62	\$21.57	\$34.19
4	Over 200	\$13.12	\$22.33	\$35.45

TABLE 3: BASE CHARGES

Meter	Water		Sewer		Blended	
Size	Quarterly	Annually	Quarterly	Annually	Quarterly	Annually
5/8"	\$15	\$60	\$30	\$120	\$45	\$180
3/4"	\$22.50	\$90	\$45	\$180	\$68	\$270
1"	\$37.50	\$150	\$75	\$300	\$113	\$450
1 1/2"	\$75	\$300	\$150	\$600	\$225	\$900
2"	\$120	\$480	\$240	\$960	\$360	\$1,440
3"	\$326.25	\$1,305	\$653	\$2,612	\$979	\$3,917
4"	\$562.50	\$2,250	\$1,125	\$4,500	\$1,688	\$6,750
6"	\$1,200	\$4,800	\$2,400	\$9,600	\$3,600	\$14,400
8"	\$2,100	\$8,400	\$4,200	\$16,800	\$6,300	\$25,200

Public Hearing

Public comments