

Water & Sewer Information Session and Public Hearing

April 22, 2019

John DeLuca
Director of Water & Sewer
Water & Sewer Department



Agenda

- ▶ 6:00 p.m.– 6:30 p.m.
Presentation followed by Q&A
- ▶ 6:30 p.m.
Public Hearing accepting public testimony for the record. Please sign up to testify.
- ▶ Following Hearing
Additional Q&A will be offered afterward as needed.



Water & Sewer Services: A Core Function of the City

In partnership with the MWRA, we provide:

Public Health

- Award-winning, clean water to your home or business

Public Safety

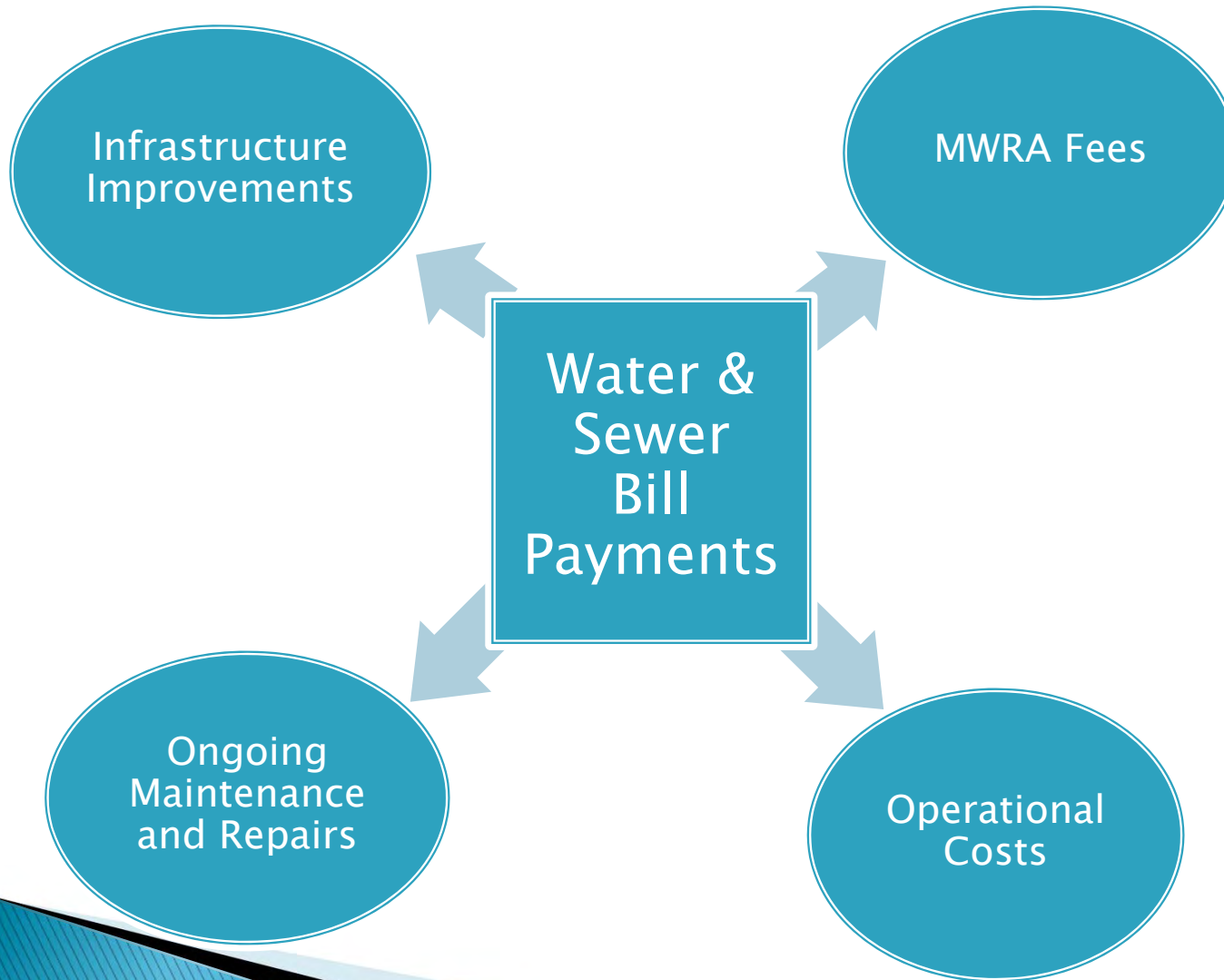
- Sanitary sewer service for a city of 80,000+

Fire Suppression

- Maintain water pressure and volume for firefighting



Separate Enterprise Fund Rates and Bills pay each systems' costs



Water & Sewer revenues fund *only* water and sewer related expenses.

Water & Sewer Enterprise Funds are independent from the General City Budget.

Water and Sewer is a Not-for-Profit Service

- ▶ We charge ONLY what we must to provide you water and sewer service *and* maintain our system.
- ▶ Without sufficient revenue, we cannot
 - Maintain service,
 - Make needed repairs, and
 - Fund water and sewer infrastructure replacement and improvements.



Majority of Water and Sewer Expenses go to MWRA Assessments

55%

Cost of water supply
from MWRA as a % of
Water Enterprise Fund
Expenses

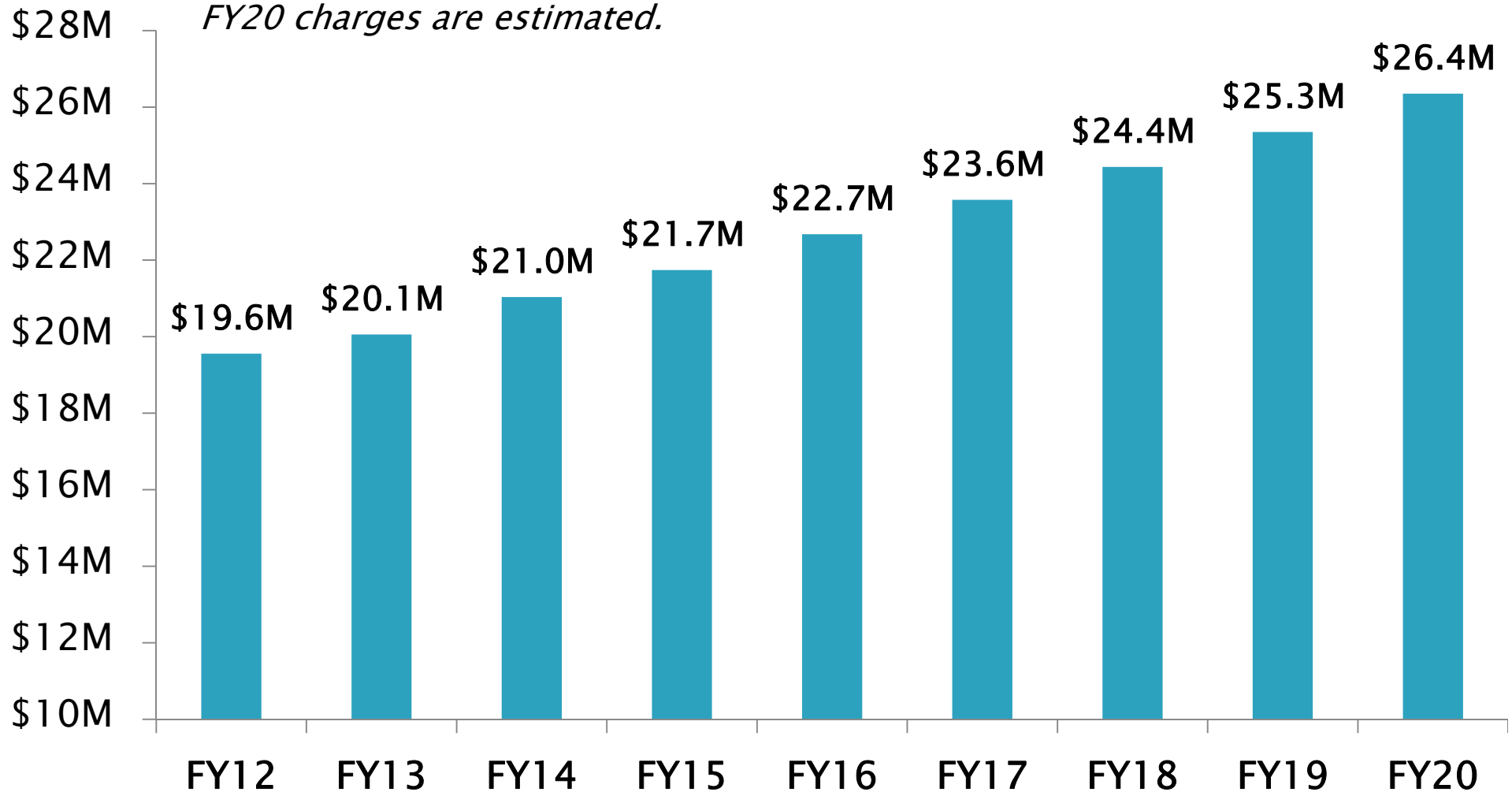
65%

Cost of treatment of
wastewater by MWRA as
% of Sewer Enterprise
Fund Expenses

MWRA Fees Charged to City Continue to Rise

Combined MWRA Sewer & Water Assessments Over Time

FY20 charges are estimated.



If It Breaks, the City Has to Fix It

The City Owns & Maintains

**125 miles
of water
mains**

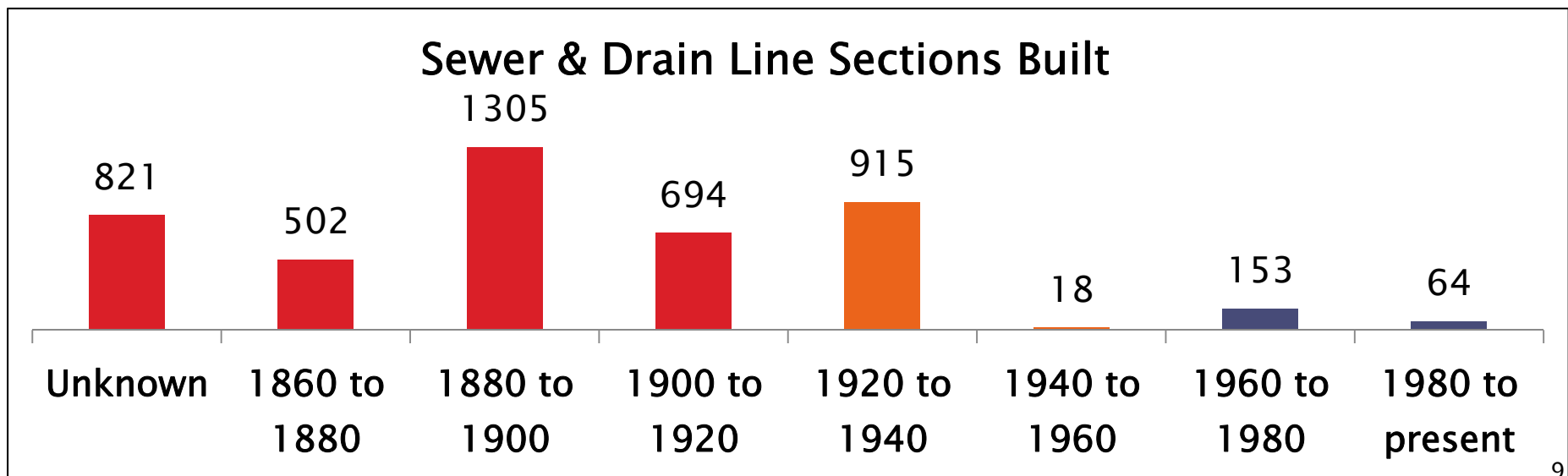
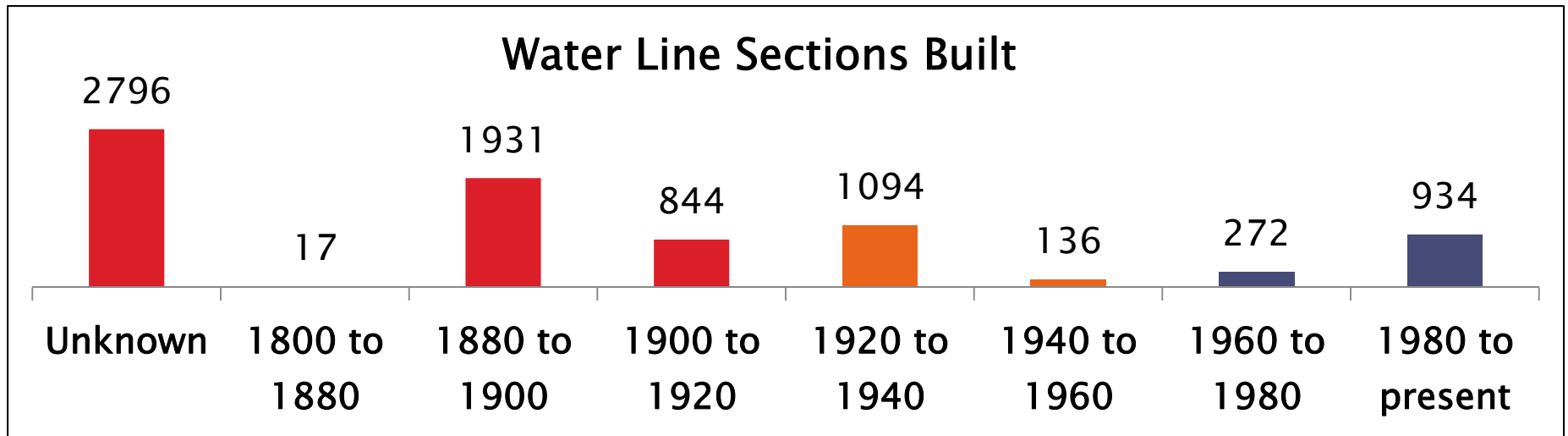
**128 miles
of sewer
mains**

**29,000+
water &
sewer
connections**

**4,000+
manholes**

**1,600+ fire
hydrants**

90% of our pipes are over 50 years old
70% may be older than 100 years



Tuberculated Water Mains

- ▶ Tuberculation is when mineral deposits build up inside the water main and the diameter is reduced.
- ▶ Negatively impacts water volume and fire prevention flows.



Proactive is Better than Reactive

Emergency repairs often result in more damage and loss to homes & businesses. They also cost more than preventive repairs and maintenance.

- ▶ We are still moving from reactive to proactive: addressing needs now rather than reacting to crises.
- ▶ Being proactive will save us all money in the long term.
- ▶ Being proactive helps to minimize risk to public health and helps reduce service interruptions.

Three cost drivers to FY20 rate increases

1. Continued increases in MWRA fees charged to the City
2. Intensified efforts to address critical *and* longstanding infrastructure needs
3. Stricter regulatory requirements from EPA and MassDEP



4.8% MWRA Sewer
Assessment Increase
Projected for FY20

4.7% MWRA Water
Assessment Increase
Projected for FY20

Investing in the system may help us avoid significant regulatory and financial consequences

In other communities with similar infrastructure challenges, the EPA has mandated a combined charge of 4% of median household income to tackle system improvements

As an example, a household that currently pays \$858 annually on combined water & sewer could pay up to \$3,120

The consequences of inaction are serious and unpredictable



Boston flooding, March 2019

Heavy fire hits three-story home in Somerville



ARAM BOGHOSIAN FOR THE BOSTON GLOBE

Firefighters battle a three-alarm fire on Rush Street in East Somerville.

By Travis Andersen and Reenat Sinay | GLOBE STAFF AND GLOBE CORRESPONDENT MAY 06, 2016

Water pressure for fire fighting must be reliable

Proposed Changes for FY20 rates

Water Rates	Sewer Rates	Base Charges	Fees
6% increase	7.5% increase	No change	No change

Recommended FY20 Water volumetric rates

- ▶ 6% volumetric water rate increase
- ▶ No change to base charge
- ▶ New residential discount tier

Tier	Tier Range (in Billing Units)	FY19 Rate	FY20 Rate
Discount (new)	0–8	<i>\$4.14</i>	\$3.95
T1	9–13	\$4.14	\$4.39
T2	14–67	\$5.97	\$6.33
T3	68–133	\$6.26	\$6.64
T4	OVER 133	\$6.50	\$6.89

1 billing unit
= 100 cubic
feet = 748
gallons

Recommended FY20 Sewer volumetric rates

- ▶ 7.5% volumetric sewer rate increase
- ▶ No change to base charge
- ▶ New residential discount tier

Tier	Tier Range (in Billing Units)	FY19 Rate	FY20 Rate
Discount (new)	0–8	<i>\$8.20</i>	\$7.93
T1	9–13	\$8.20	\$8.82
T2	14–67	\$10.46	\$11.24
T3	68–133	\$10.97	\$11.79
T4	OVER 133	\$11.36	\$12.21

1 billing unit
= 100 cubic
feet = 748
gallons

What does this mean for a typical bill?

Building Type	Median Usage per Bill (in CCF)	FY19 Annual Combined Bill	FY20 Annual Combined Bill	Annual Change	Change per Tri-Annual Bill
Single Family	17	\$858	\$874	\$16	\$5.34
Two Family	29	\$1,450	\$1,507	\$57	\$19.00
Three Family	40	\$1,992	\$2,086	\$94	\$31.34

Source: Abrahams Group analysis of billing data. The chart above shows the median usage across all bills in FY18. Includes rounded volumetric and base charges.

Financial assistance and resources available for residents

- ▶ Exemptions for seniors and others (e.g., clauses 17D and 41C)
- ▶ Ability to set water usage limits on Aquahawk, our Alert system
- ▶ Rain barrels for watering garden available at DPW
- ▶ Water conservation tips

Public Hearing

- ▶ Public testimony at Public Hearing
6:30 p.m. Monday, April 22, 2019.
- ▶ Open for written comment through
6:00 p.m. on Monday, April 29, 2019.
- ▶ Please send written comments to Director of
Water and Sewer John Deluca at
water@somervillema.gov or mail to 17 Franey
Rd, Somerville, MA 02145



Thank you

