
FY11 Water and Sewer Enterprise Operating Budgets

Article 28 and 29
2010 Annual Town Meeting

FY11 Water Department Budget

- FY11 recommended budget \$14,609,256
 - This is \$121,173 less than FY10
 - This decrease is due in large part to \$254,816 decrease in debt service
 - MRWA assessment also drops by \$83,522 from the FY10 voted budget
- Eliminate one meter reader position; add one water technician, no net increase in staff

FY11 Sewer (Wastewater) Dept Budget

- Recommended amount for FY11 is \$17,562,748
 - This is \$512,893 more than FY10
 - \$347,295 or 68% of increase is MRWA assessment
 - Operating costs increasing by \$44,000
 - Eliminate a meter reader position; add one wastewater technician, no net increase in staff
 - Indirect charges increase \$36,000

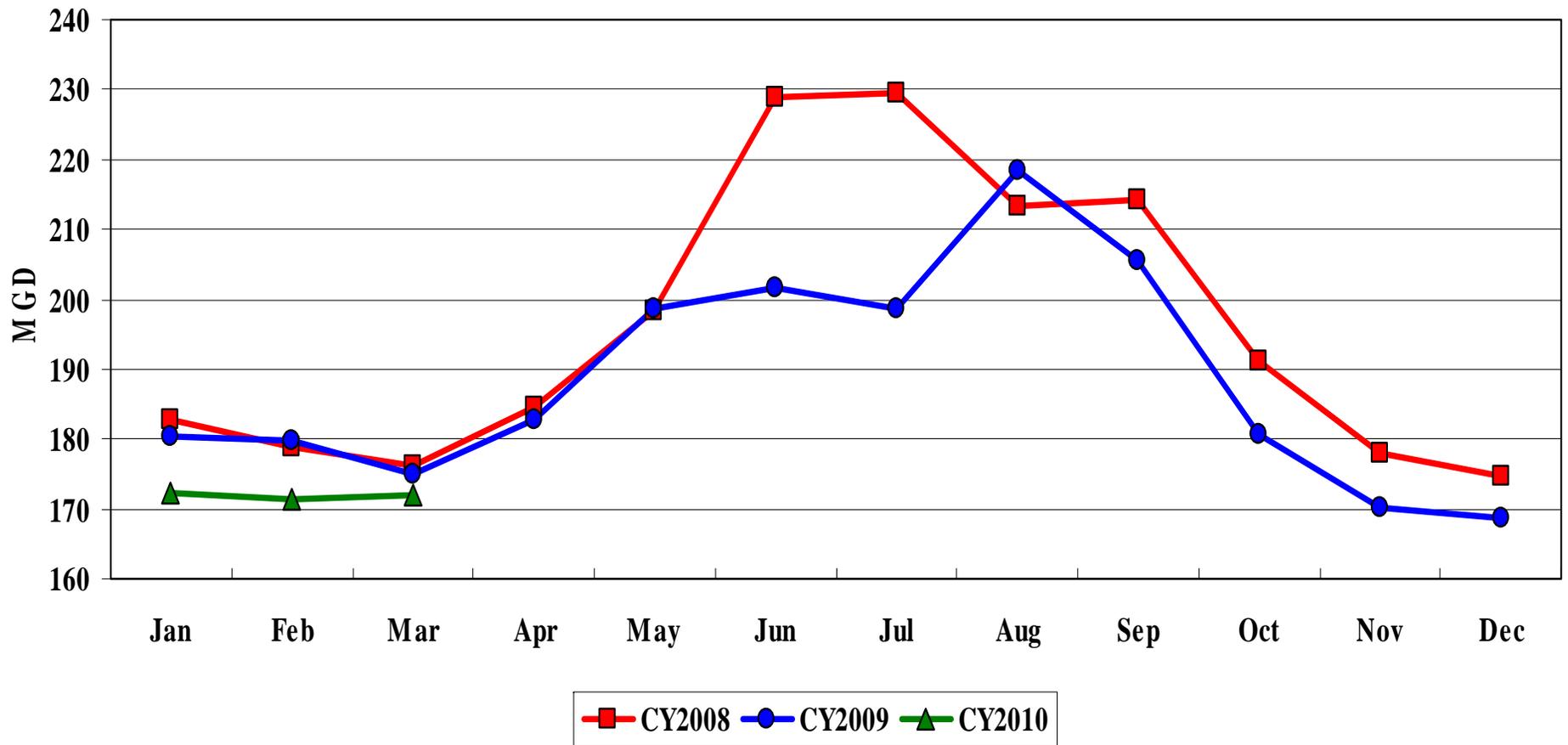
Rate Setting

- Water & Sewer rates are a function of two things:
 - Cost
 - Consumption
- If cost goes up and consumption goes up by a comparable factor, rates generally remain level
- If cost goes down and consumption goes down by a comparable factor, rates generally remain level
- If cost goes up and consumption goes down rates increase dramatically
- If cost goes down and consumption goes up, then rates decrease

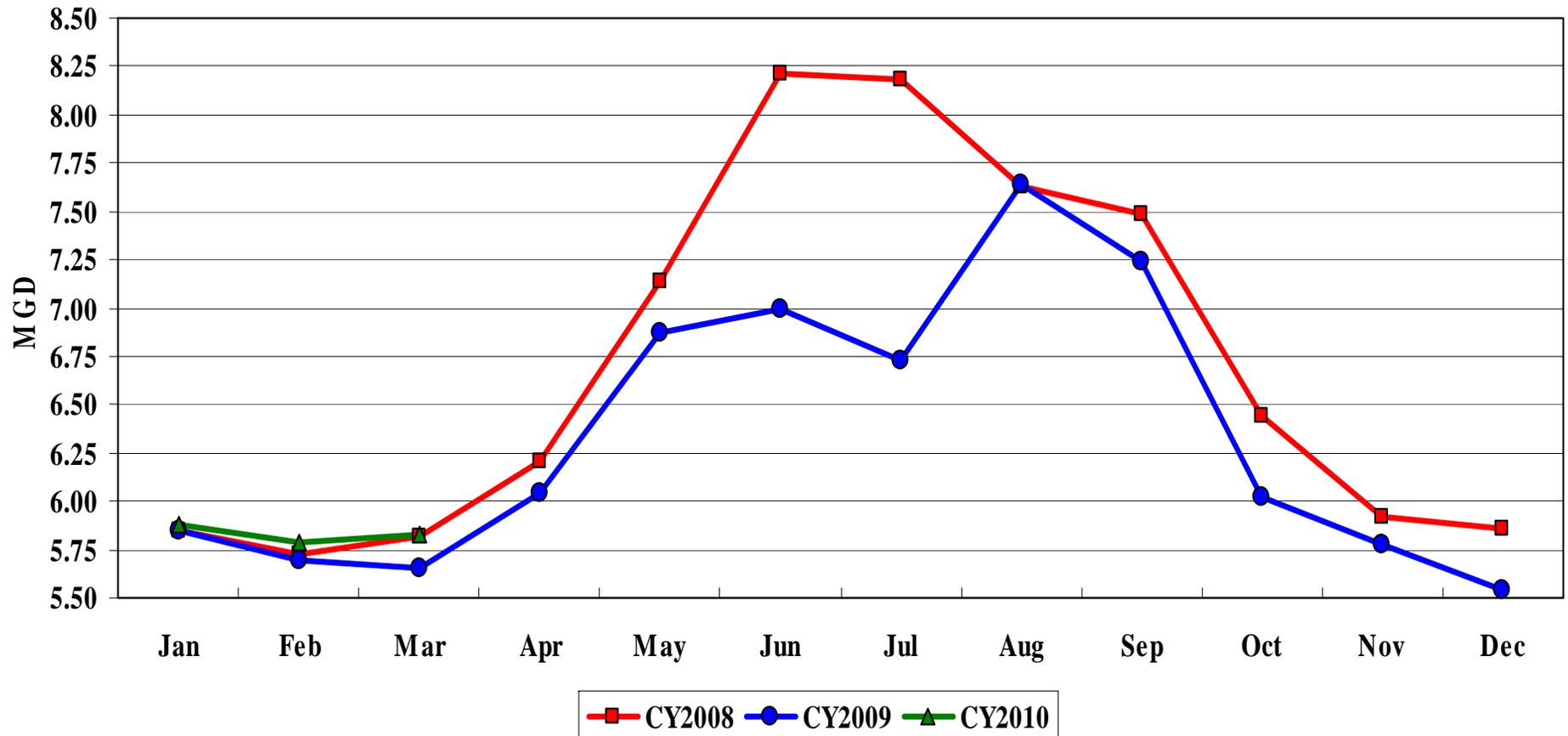
Consumption

- Consumption across the state has declined over time, but has had a significant drop in FY10.
- This is not restricted to Framingham, but is happening throughout the MWRA system.
- Decrease in Framingham consumption from FY09 to FY10 is more than 112,000 units (4%) in water and 115,000 (4.5%) units in sewer
 - Irrigation is almost half of prior year usage

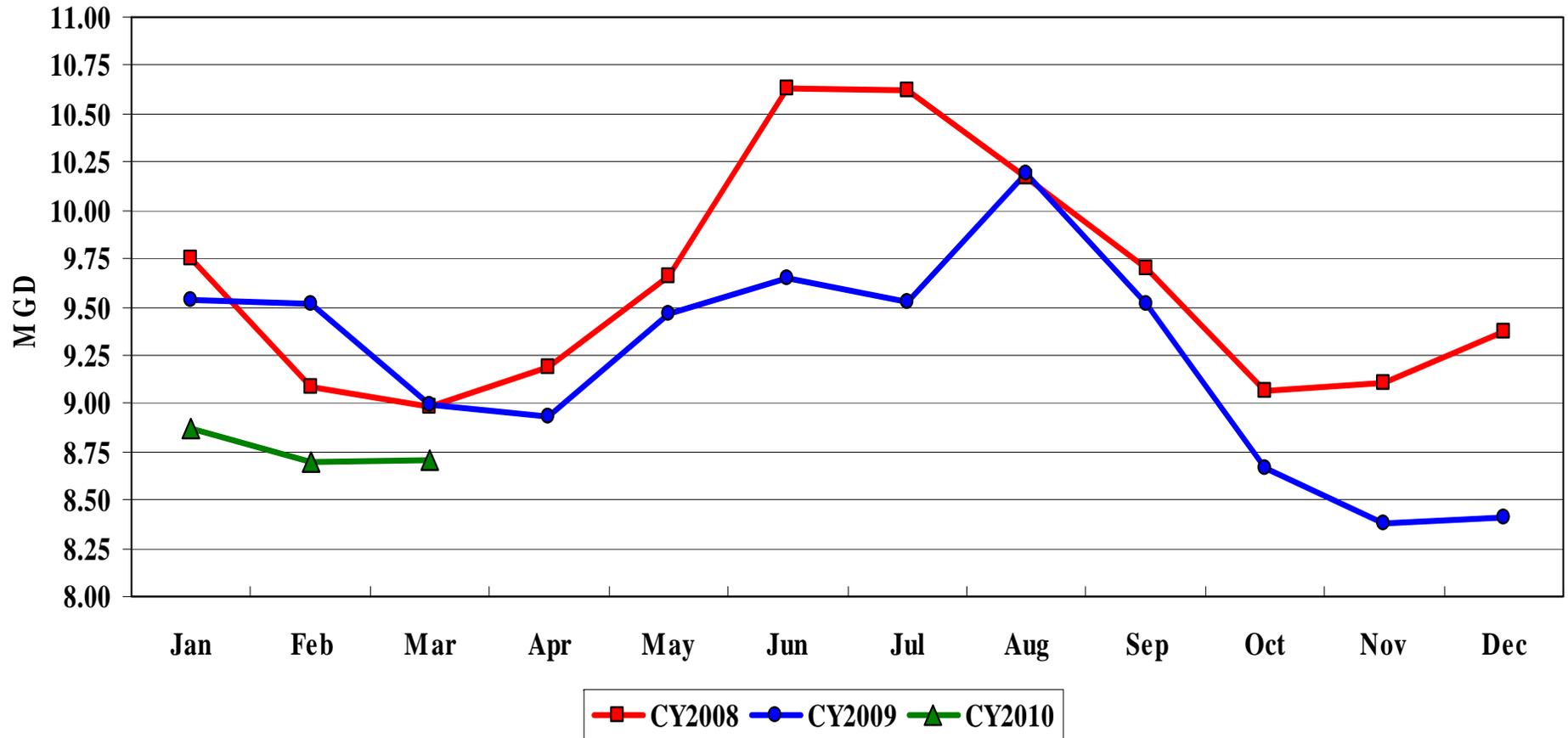
MWRA Water Supplied: All Revenue Customers



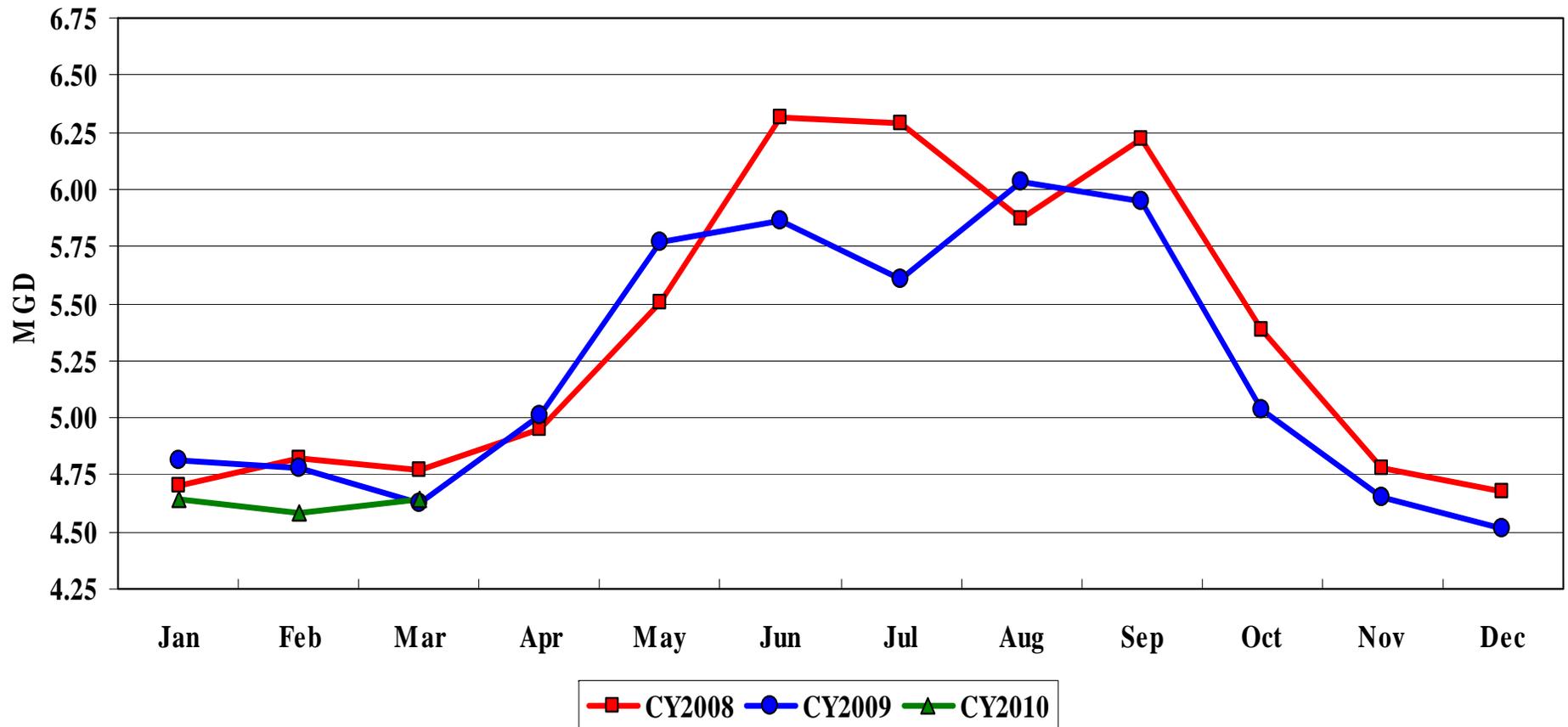
Framingham Water Consumption



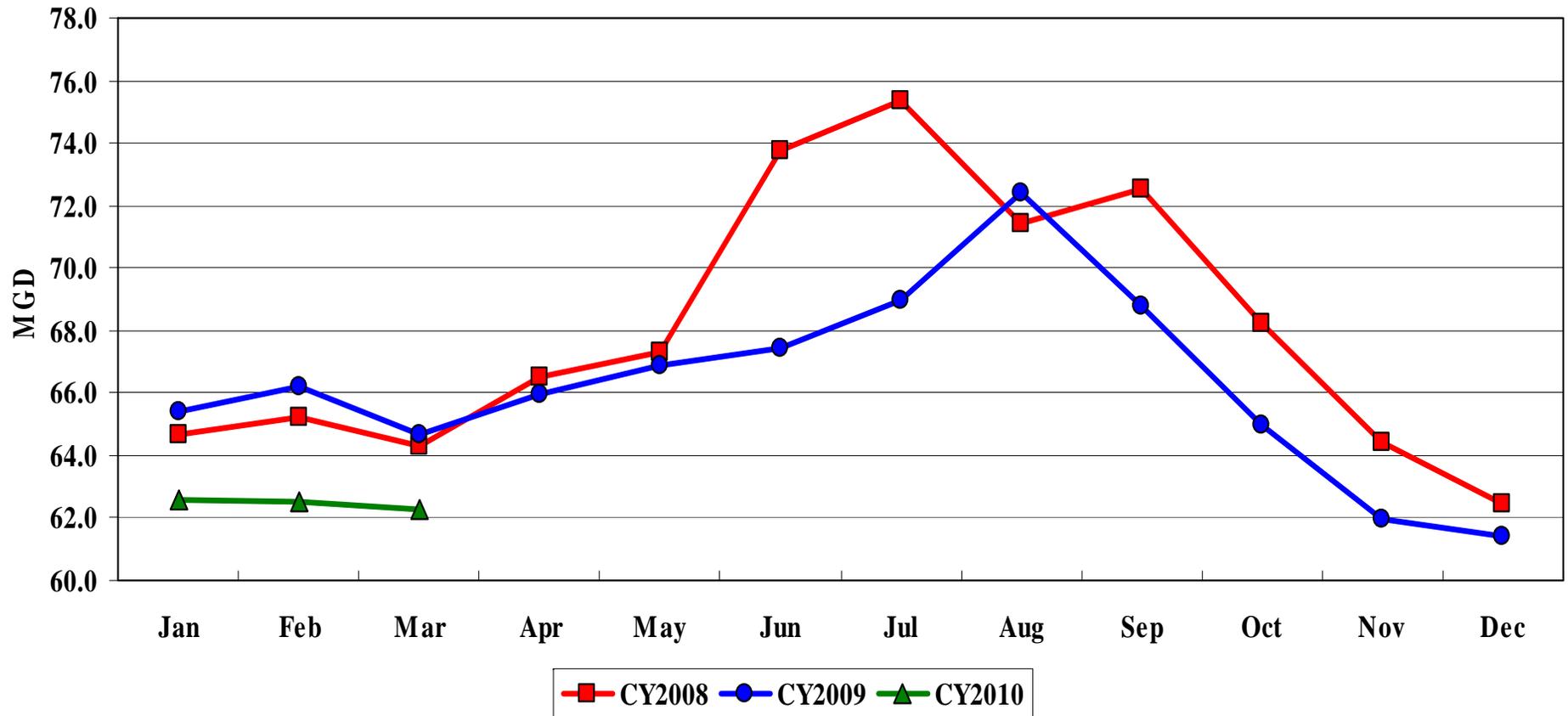
Quincy Water Consumption



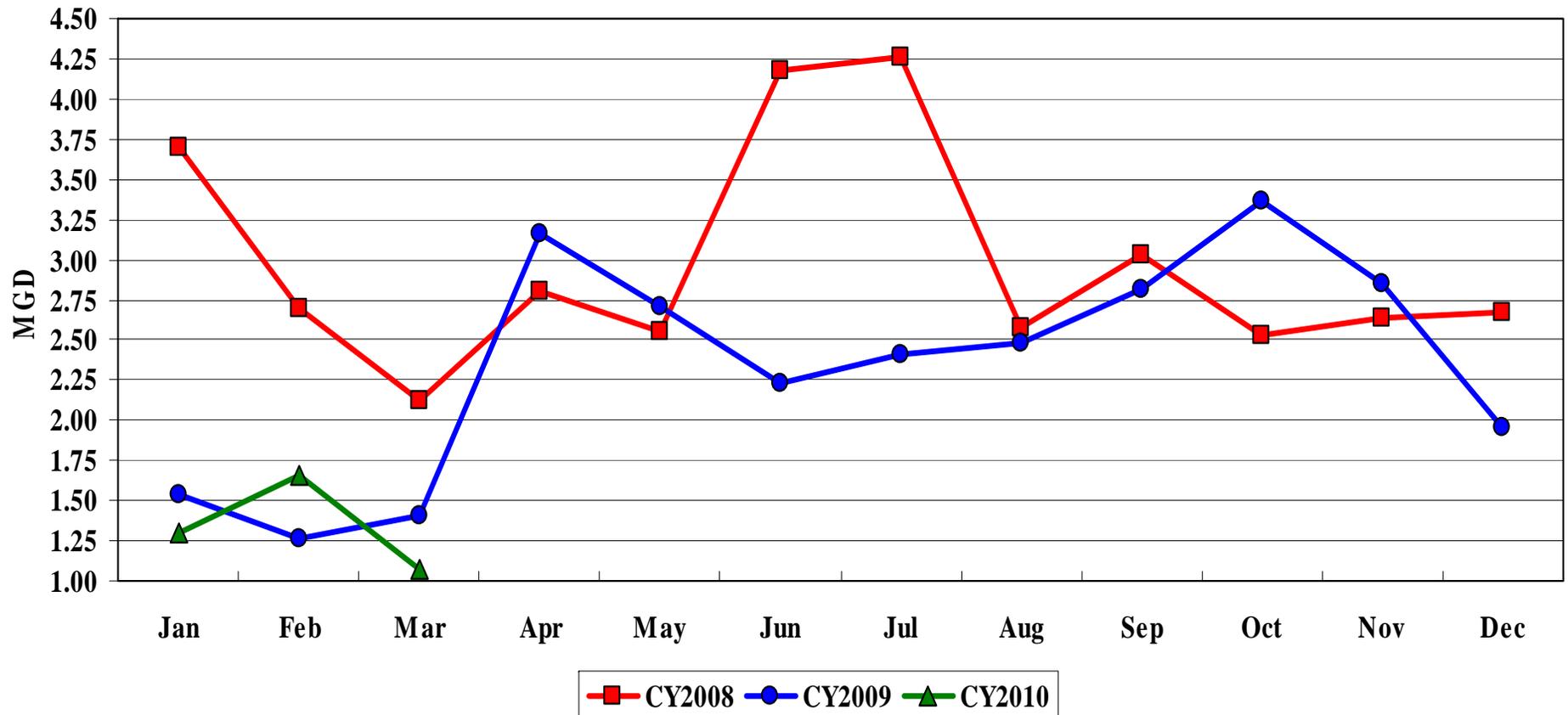
Brookline Water Consumption



Boston (BWSC) Water Consumption



Marlborough Water Consumption



Estimated Impact of Budgets on Rates

<u>Comparison of Water Rates</u>					
		<u>FY10 Current</u>	<u>FY11 New</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Metered Rates</u>					
	Tier 1	\$4.04	\$4.08	\$0.04	1.0%
	Tier 2	\$4.46	\$4.51	\$0.05	1.1%
	Tier 3	\$5.16	\$5.22	\$0.06	1.2%
	Tier 4	\$6.10	\$6.17	\$0.07	1.1%
	Tier 5	\$7.28	\$7.36	\$0.08	1.1%
	Irrigation	\$7.22	\$7.63	\$0.41	5.7%
	Elderly	\$3.03	\$3.06	\$0.03	1.0%

Estimated Impact of Budgets on Rates

<u>Comparison of Sewer Rates</u>					
	<u>FY10 Current</u>	<u>FY11 New</u>	<u>\$ Change</u>	<u>% Change</u>	
<u>Metered Rates</u>					
Tier 1	\$3.84	\$4.49	\$0.65	16.9%	
Tier 2	\$3.95	\$4.63	\$0.68	17.2%	
Tier 3	\$5.25	\$6.16	\$0.91	17.3%	
Tier 4	\$7.52	\$8.81	\$1.29	17.2%	
Tier 5	\$10.90	\$12.78	\$1.88	17.2%	
Elderly	\$2.88	\$3.37	\$0.49	17.0%	

Estimated Impact of Budgets on Rates

FY10 to FY11

Comparison of Combined Water & Sewer Rates

	<u>Current</u>	<u>New</u>	<u>\$ Change</u>	<u>% Change</u>
<u>Metered Rates</u>				
Tier 1	\$7.88	\$8.57	\$0.69	8.8%
Tier 2	\$8.41	\$9.14	\$0.73	8.7%
Tier 3	\$10.41	\$11.38	\$0.97	9.3%
Tier 4	\$13.62	\$14.98	\$1.36	10.0%
Tier 5	\$18.18	\$20.14	\$1.96	10.8%
Irrigation	\$7.22	\$7.63	\$0.41	5.7%
Elderly	\$5.91	\$6.43	\$0.52	8.8%

Estimated Impact of Budgets on Rates

Impact of Combined Rates on Selected Customers				
Annual Bill				
Annual Usage	FY10 Current	FY11 New	\$ Change	% Change
<i>5/8 inch meter</i>				
24	\$189.12	\$205.68	\$16.56	8.8%
Elderly 24	\$141.84	\$154.32	\$12.48	8.8%
48	\$378.24	\$411.36	\$33.12	8.8%
105	\$857.61	\$932.34	\$74.73	8.7%
120	\$1,007.76	\$1,096.32	\$88.56	8.8%
156	\$1,382.52	\$1,506.00	\$123.48	8.9%
Irrigation 156	\$1,126.32	\$1,189.99	\$63.67	5.7%
4 Unit Apt - 420	\$3,430.44	\$3,729.36	\$298.92	8.7%
<i>2 inch meter</i>				
250	\$2,508.72	\$2,741.32	\$232.60	9.3%
500	\$5,913.72	\$6,486.32	\$572.60	9.7%
1,000	\$12,723.72	\$13,976.32	\$1,252.60	9.8%
<i>4 inch meter</i>				
60 Unit Apt 2,136	\$28,196.04	\$30,993.60	\$2,797.56	9.9%
<i>6 inch meter</i>				
5,000	\$76,323.72	\$84,216.32	\$7,892.60	10.3%
20,000	\$348,873.76	\$386,316.32	\$37,442.56	10.7%

Framingham Rates

- How do our rates compare to other MWRA customers?
- The following chart compares our FY11 estimated rate to current FY10 rates from surrounding MWRA communities.
- We are still in the bottom third of the list.

**Comparison of Various MWRA Communities
FY10 Combined Annual Water & Sewer Charges in Metro MWRA Communities (120HCF)**

Community (MWRA Service)	Avg. Water Rate	Water	Avg. Sewer Rate	Sewer	Combined Total
Hingham (S)	\$7.66	\$918.98	\$8.50	\$1,020.00	\$1,938.98
Belmont (W/S)	\$5.31	\$636.96	\$9.48	\$1,137.00	\$1,773.96
Nahant (W)	\$6.29	\$754.80	\$7.51	\$901.20	\$1,656.00
Milton (W/S)	\$4.71	\$565.20	\$8.91	\$1,068.72	\$1,633.92
Melrose (W/S)	\$4.91	\$589.20	\$8.97	\$968.76	\$1,557.96
Ashland (S)	\$3.32	\$398.00	\$9.50	\$1,140.00	\$1,538.00
Medford (W/S)	\$5.31	\$637.20	\$7.44	\$892.80	\$1,530.00
Dedham (partial W/S)	\$4.40	\$527.44	\$8.08	\$969.60	\$1,497.04
Needham (partial W/S)	\$4.03	\$483.00	\$8.32	\$997.80	\$1,480.80
Newton (W/S)	\$4.64	\$556.80	\$7.26	\$871.60	\$1,428.40
Weymouth (S)	\$4.92	\$590.04	\$6.90	\$827.60	\$1,417.64
Brookline (W/S)	\$4.65	\$558.00	\$6.45	\$774.00	\$1,332.00
Cambridge (emergency W/S)	\$3.12	\$374.40	\$7.57	\$908.00	\$1,282.40
Natick (S)	\$2.60	\$312.40	\$8.04	\$964.40	\$1,276.80
Westwood (partial W/S)	\$4.40	\$527.44	\$6.23	\$748.00	\$1,275.44
Watertown (W/S)	\$3.43	\$432.68	\$6.97	\$836.40	\$1,269.08
Wellesley (partial W/S)	\$3.36	\$403.68	\$7.00	\$840.00	\$1,243.68
Chelsea (W/S)	\$3.69	\$442.80	\$6.52	\$782.40	\$1,225.20
Framingham (W/S) FY2011 Prelim	\$4.41	\$529.08	\$4.73	\$567.24	\$1,096.32
Lynn (partial W)	\$3.22	\$386.40	\$5.91	\$709.20	\$1,095.60
Boston (W/S)	\$3.99	\$479.07	\$5.14	\$616.33	\$1,095.40
Framingham (W/S) FY2010	\$4.36	\$523.44	\$4.04	\$484.32	\$1,007.76
Malden (W/S)	\$3.71	\$445.44	\$4.51	\$540.72	\$986.16
Clinton (W/S)	\$2.86	\$343.60	\$2.15	\$257.70	\$601.30