

**WELLESLEY BOARD OF PUBLIC WORKS RECORDS
JUNE 5, 2023**

The Wellesley Board of Public Works held a duly posted open online remote meeting beginning at 6:00 PM.

Remote participants included Chair Scott Bender, Commissioners Ellen Korpi and Jeffrey Wechsler; Director David A. Cohen; Assistant Director Jeff Azano-Brown, Town Engineer David J. Hickey, Jr.; Water & Sewer Superintendent Stephen Olson; Executive Assistant Debra Sumner; and Advisory Committee Liaison Pete Pedersen.

Chair Bender called the meeting to order at 6:00 PM.

CITIZEN SPEAK

Chair Bender provided anyone participating remotely with the opportunity to speak regarding matters pertaining to the Department of Public Works. No members of the public participated in the meeting.

**PUBLIC HEARING – PROPOSED CHANGES TO WATER AND SEWER RATES
TO BECOME EFFECTIVE JULY 1, 2023**

Chair Bender declared the Public Hearing open at 6:01 PM to entertain any public comment related to the proposed changes to the Water & Sewer Rates.

Director Cohen took the opportunity to review and clarify information related to the recommendation for the proposed increases in the Water & Sewer Rates for FY 2024.

Mr. Cohen provided a detailed presentation on the Water and Sewer Rate Proposal, which included an overview of primary Objectives; Key Assumptions; the Water Financial Forecast; Primary Financial Drivers, including increased MWRA purchases; Budget History for Water; Water Sales History; FY22 Water Sales by User Category; Conservation Rate Mechanisms currently in use; Benchmarking comparisons among area municipalities including Customer Charges; Watering Restrictions and Drought History; Water and Sewer Rates Recommendation and subsequent Impact of this Recommendation; and the Water Rate History since FY84.

The Director also referred to the memorandum prepared by Assistant Director Jeff Azano-Brown related to the Proposed FY24 Water and Sewer Rates, which recommends a 4% water rate and a 4% sewer rate increase on all consumption-based and readiness to serve charges effective for all bills issued on or after July 1, 2023. Mr. Cohen explained these recommended increases assume conservative water usage, additional conservation and potential outdoor watering restrictions due to drought conditions.

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Upon conclusion of the presentation each Board member conveyed thanks to both Director Cohen and Assistant Director Brown for the excellent presentation on the Proposed Water and Sewer Rates.

A discussion ensued between the Board and the Staff regarding the various elements that contributed to the need for this recommended rate hike. This dialogue touched upon certain aspects of the presentation including the primary drivers which contribute to the need for rate increases, as well as acknowledging the mutual benefits of sharing information with peers from area municipalities on common practices and benchmarking efforts.

The Board then suggested a number of considerations to be weighed the next time rates are to be reviewed and the impact on certain segments of the Town's population. With regard to the Summary of Rate Changes as shown on the rate sheets, there was agreement that the rate information should be made easily accessible and shared with the rate payers in writing more than once per year, as well as adding helpful, concise, verbiage to the website related to the progressive rates, in addition to a table of numbers. This would be a helpful tool to highlight and raise awareness of this information for the public.

Following discussion and upon motion duly made by Ms. Korpi and seconded by Mr. Wechsler, it was

VOTED: To close the Public Hearing, (3-0)

Ms. Korpi – Aye

Mr. Wechsler – Aye

Mr. Bender - Aye

Chair Bender declared the Public Hearing closed at 6:46 PM.

Upon exiting the Public Hearing, the Board returned to the Open Session portion of the meeting:

DIRECTOR'S ITEM

Proposed Rate Increases for Water & Sewer Rates for FY 2024. Director Cohen referred back to the memorandum with proposed motion for Board approval prepared by Assistant Director Azano-Brown for the Proposed FY24 Water and Sewer Rates.

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Chair Bender inquired if there were any further questions about the rate increases, and confirming none, upon motion duly made by Ms. Korpi and seconded by Mr. Wechsler, it was

VOTED: To approve a 4% Water and a 4% Sewer Rate changes for bills issued on or after July 1, 2023, as detailed in the Summary of Rate Changes Effective July 1, 2023 (3-0). (Copy attached)

Ms. Korpi – Aye
Mr. Wechsler – Aye
Mr. Bender – Aye

Director Cohen conveyed that notice of the rate changes would be posted on the DPW website, as well as a link to the Public Hearing, to enable those interested to listen to the full explanation and discussion.

Next BPW Meeting. Director Cohen reconfirmed that the next meeting is scheduled for Tuesday, June 13, at 5:00 PM.

ADJOURNMENT

Upon motion duly made by Ms. Korpi and seconded by Mr. Wechsler, it was unanimously,

VOTED: To adjourn (3-0).

Mr. Wechsler – Aye
Ms. Korpi – Aye
Mr. Bender – Aye

The meeting adjourned at 6:50 PM.

Respectfully submitted,

DocuSigned by:

Jeff Wechsler

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Jeffrey Wechsler
Secretary

TOWN OF WELLESLEY
DEPARTMENT OF PUBLIC WORKS



JEFF AZANO-BROWN, ASSISTANT DIRECTOR

To: Board of Public Works

Date: June 2, 2023

Re: Proposed FY24 Water and Sewer Rates

Attached are draft Customer Letters and proposed summaries of rate changes for Water and Sewer customers. As you will see, a 4% water rate and a 4% sewer rate increase is recommended on all consumption-based and readiness to serve charges effective for all bills issued on or after July 1, 2023. These recommended increases assume conservative water usage, additional conservation, and potential outdoor watering restrictions due to drought conditions.

Explanation of the proposed increase is included below and additional supporting information is included in the attached presentation. Suggested motion language is provided at the end of this memo.

The effect of these rate increases to the average Wellesley residential customer is an estimated annual increase of \$48 (a 3.9% increase). For comparison, Table 1 shows the estimated impact of the proposed rate changes for households with low water consumption, average consumption, high consumption, and very high consumption.

Table 1
 Combined Water/Sewer Bill for Low, Average, High & Very High Users:
 Impact of Proposed Rate Changes

50 CCF (Low User)				
	PRIOR	NEW	% Change	
Water	\$ 264	\$ 273	3%	
Sewer	\$ 549	\$ 568	4%	
Combined	\$ 813	\$ 842	4%	

120 CCF (Average User)				
	PRIOR	NEW	% Change	
Water	\$ 626	\$ 649	4%	
Sewer	\$ 1,233	\$ 1,281	4%	
Combined	\$ 1,859	\$ 1,930	4%	

240 CCF (High User)				
	PRIOR	NEW	% Change	
Water (2" meter)	\$ 2,577	\$ 2,678	4%	
Sewer	\$ 2,406	\$ 2,500	4%	
Combined	\$ 4,983	\$ 5,178	4%	

1,000 CCF (Very High User)				
	PRIOR	NEW	% Change	
Water (6" meter)	\$ 9,655	\$ 10,039	4%	
Sewer	\$ 9,638	\$ 10,227	4%	
Combined	\$ 19,491	\$ 20,266	4%	

WATER

As expected and projected in the approved FY24 budget, we recommend a 4% increases in water rates in order to cover projected expense increase as follows:

Budget Item	FY24 – FY23 Increase (\$)	FY24 – FY23 Increase (%)
MWRA Water	\$1,107,871	33.0%
Capital	590,000	28.5%
Depreciation	85,266	7.9%
Personal Services	44,634	2.2%
Other Operating	9,822	0.5%
Interest	(21,400)	(28.4%)
Non-Operating	10,900	2.0%
Total	\$1,827,093	16.5%

MWRA assessments continue to be a major driver of rate changes and have increased significantly over the past several years due to additional water purchases. Charts providing some background and historical perspective on MWRA and customer usage are included in the attached presentation.

The current general cash balance is \$4,315,462 which exceeds our 45 day cash reserve target of \$1,072,239 by \$3,243,223. We intend to spend down cash through FY24 and we are forecasting that a 4% increase will also be needed in FY25. We will continue to monitor this projection as we develop the FY25 budget.

The effect of these rate increases to the average Wellesley residential customer is an estimated annual increase of \$23 (a 3.7% increase). For comparison, Table 1 shows the estimated impact of the proposed rate changes for households with low water consumption, average consumption, high consumption, and very high consumption.

SEWER

As expected and projected in the approved FY24 budget, we recommend a 4% increase in sewer rates in order to cover projected expense increases as follows:

Budget Item	FY24 – FY23 Increase (\$)	FY24 – FY23 Increase (%)
MWRA Sewer	\$193,107	3.0%
Capital	703,608	58.8%
Depreciation	19,818	4.0%
Personal Services	15,204	1.7%
Other Operating	11,576	1.7%
Total	\$943,313	9.7%

The current general cash balance is \$1,014,181 which exceeds our 45 day cash reserve target of \$546,328 by \$467,853. We intend to spend down cash through FY24 and we are forecasting that a 4% increase will also be needed in FY25. We will continue to monitor this projection as we develop the FY25 budget.

We look forward to discussing these recommendations with you and have provided suggested motion language below for your consideration.

Voted: To approve a 4% Water and a 4% Sewer Rate changes for bills issued on or after July 1, 2023 as detailed in the Summary of Rate Changes Effective July 1, 2023.

Attachments:

Summary of Rate Changes

Customer Letter

FY24 Water and Sewer Rate Proposal

**Cc: David Cohen, Director Wellesley Public Works
Stephen Olson, Superintendent Wellesley Water and Sewer Division**

**SUMMARY OF WATER RATE CHANGES
RESIDENTIAL WATER CUSTOMERS
MONTHLY CHARGE, EFFECTIVE JULY 1, 2023**

RATE CATEGORY	PRIOR	Incr %	NEW
Indoor Customer Charge (monthly)	\$3.33	-	\$3.33
Outdoor Customer Charge (monthly)	\$6.83	-	\$6.83
Base Service Rate per 100 cubic feet (1 CCF = 748 Gallons) in effect during November - April billing periods:			
Indoor Meter, 0 - 5 CCF (0 to 3,740 gal)	\$4.49	4%	\$4.67
Indoor Meter, above 5 CCF (over 3,740 gal)	\$5.27	4%	\$5.48
Outdoor Meter, all use	\$5.27	4%	\$5.48
Peak Service Rate per CCF in effect during May - October billing periods:			
Indoor Meter, 0 - 5 CCF (0 to 3,740 gal)	\$4.49	4%	\$4.67
Indoor Meter, 6 - 12 CCF (to 8,976 gal)	\$5.27	4%	\$5.48
Indoor Meter, 13 - 24 CCF (to 17,952 gal)	\$8.36	4%	\$8.69
Indoor Meter, 25 - 36 CCF (to 26,928 gal)	\$10.82	4%	\$11.25
Indoor Meter, above 36 CCF (over 26,928 gal)	\$13.77	4%	\$14.32
Outdoor Meter, 0 - 24 CCF (0 to 17,952 gal)	\$8.36	4%	\$8.69
Outdoor Meter, 25 - 36 CCF (to 26,928 gal)	\$10.82	4%	\$11.25
Outdoor Meter, above 36 CCF (over 26,928 gal)	\$13.77	4%	\$14.32
Readiness-To-Serve Charge on meters over 5/8" (monthly)			
3/4" meter	\$8.31	4%	\$8.64
1" meter	\$14.45	4%	\$15.03
1 1/2" meter	\$37.92	4%	\$39.44
2" meter	\$106.01	4%	\$110.25
3" meter	\$139.19	4%	\$144.76
4" meter	\$205.19	4%	\$213.40
6" meter	\$362.06	4%	\$376.54
Minimum Monthly Bill (Plus Readiness-To-Serve Charge)	\$3.33	-	\$3.33
Special Meter Readings	\$30.00	-	\$30.00
Service Turn On / Turn Off	\$45.00	-	\$45.00

**SUMMARY OF SEWER RATE CHANGES
RESIDENTIAL SEWER CUSTOMERS
MONTHLY CHARGE, EFFECTIVE JULY 1, 2023**

RATE CATEGORY	PRIOR	Incr %	NEW
Customer Charge (monthly)	\$5.00	-	\$5.00
Service Rate per 100 cubic feet (1 CCF)	\$1.94	4%	\$2.02
MWRA Adjustment per CCF	\$7.83	4%	\$8.14
Minimum Monthly Bill (1 CCF = 748 Gallons)	\$5.00	-	\$5.00

**SUMMARY OF WATER RATE CHANGES
COMMERCIAL AND MUNICIPAL WATER CUSTOMERS (and MULTI-UNIT)
MONTHLY CHARGE, EFFECTIVE JULY 1, 2023**

RATE CATEGORY	PRIOR	Incr %	NEW
Indoor Customer Charge (monthly)	\$3.33	-	\$3.33
Outdoor Customer Charge (monthly)	\$6.83	-	\$6.83
Base Service Rate per 100 cubic feet (1 CCF) in effect during November - April billing periods:			
Indoor Meter, 0 - 5 CCF (0 to 3,740 gal)	\$4.49	4%	\$4.67
Indoor Meter, above 5 CCF (over 3,740 gal)	\$5.27	4%	\$5.48
Outdoor Meter, all use (1 CCF = 748 Gallons)	\$5.27	4%	\$5.48
Peak Service Rate per CCF in effect during May - October billing periods:			
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Outdoor Meter, 0 - 24 CCF (0 to 17,952 gal)	\$8.36	4%	\$8.69
Outdoor Meter, 25 - 36 CCF (to 26,928 gal)	\$10.82	4%	\$11.25
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3" meter	\$139.19	4%	\$144.76
4" meter	\$205.19	4%	\$213.40
6" meter	\$362.06	4%	\$376.54
Minimum Monthly Bill (Plus Readiness-To-Serve Charge)	\$3.33	-	\$3.33
Special Meter Readings	\$30.00	-	\$30.00
Service Turn On / Turn Off	\$50.00	-	\$50.00

**SUMMARY OF SEWER RATE CHANGES
COMMERCIAL AND MUNICIPAL SEWER CUSTOMERS (and MULTI-UNIT)
MONTHLY CHARGE, EFFECTIVE JULY 1, 2023**

RATE CATEGORY	PRIOR	Incr %	NEW
Customer Charge (monthly)	\$5.00	-	\$5.00
Service Rate per 100 cubic feet (1 CCF)	\$1.94	4%	\$2.02
MWRA Adjustment per CCF	\$7.83	4%	\$8.14
Minimum Monthly Bill	\$5.00	-	\$5.00

TOWN OF WELLESLEY
DEPARTMENT OF PUBLIC WORKS



Dear Wellesley Water and Sewer Customer:

Effective for bills issued on and after July 1, 2023, Wellesley's **Water and Sewer Rates** will change as indicated in the table on the reverse side of this letter. These increases will be based on the amount of water you use beginning with your June meter reading.

WATER

The per-unit Water rates will increase **4%**. This increase is needed primarily to cover increased MWRA (Massachusetts Water Resource Authority) water assessment, increased capital expenses, and modest increases in operating costs.

The Water rate has three components: the monthly Customer Charge, the Service Rate, and the Readiness-to-Serve Charge. The monthly Customer Charge will not change. The Service Rates and the Readiness-to-Serve Charges will increase 4%.

The effect of these rate increases to the average Wellesley residential customer who uses 120 CCF per year is an estimated annual increase of \$23 (a 3.7% increase).

SEWER

The per-unit Sewer rates will increase **4%**. This increase is needed primarily to cover increases in our MWRA sewer assessment, increased capital expenses, and modest increases in operating costs.

The Sewer rate has three components: the monthly Customer Charge, the Service Rate, and the MWRA Adjustment. The monthly Customer Charge will not change. The Service Rate and the MWRA Adjustment will increase 4%.

The effect of these necessary rate increases to the average Wellesley residential customer is an estimated annual increase of \$48 (a 3.9% increase).

We understand that rate increases can be an unwelcome change. The DPW is doing everything we can to reduce expenses to help control future increases. Reducing water use through conservation and identifying leaks is one thing you can do to help reduce both your water and sewer bill.

If you would like a better understanding of your water usage, please log on to our new Customer Portal. Through this portal, you can review past usage trends, monitor current water use, sign up for high usage notification, and find information to help you identify leaks in the home. Please visit <https://www.wellesleyma.gov/1867> for more information and to sign up.

Please contact us at dpw@wellesleyma.gov or 781-235-7600 if you have any comments or questions.

Sincerely,

A handwritten signature in black ink, appearing to read "JA" or "JAB".

Jeff Azano-Brown
Assistant Director of Public Works

**REVISED
6/02/2023**

**TOWN OF WELLESLEY
BOARD OF PUBLIC WORKS AGENDA
REMOTE ONLINE MEETING**

**MONDAY
JUNE 5, 2023
6:00 PM**

<https://www.wellesleymedia.org/live-streaming.html>

- A. Call to Order
 - B. Citizen Speak
 - C. **PUBLIC HEARING - Proposed Changes to Water and Sewer Rates to become effective July 1, 2023**
 - D. **Proposed Changes to Water & Sewer Rates**
 - E. Topics not reasonably anticipated by the Chair prior to posting, if any
 - F. New Business
- Adjournment

REMOTE MEETING PROTOCOL

Members of the public can watch the live meeting online:

<https://www.wellesleymedia.org/live-streaming.html> The meeting will be live on local cable TV COMCAST 8 and VERIZON 40. Residents and Rate Payers seeking to participate in Citizen Speak, or any other agenda item, should e-mail dpw@wellesleyma.gov prior to the meeting and a number will be assigned for speakers. All residents seeking to participate shall call into 781-489-7747 (Conference Line) and await the announcement of your assigned number to speak. Individuals wishing to participate who have not received a number shall be asked at the end of the agenda item if they would like to speak before the Board moves on to the next agenda item.