

FISCAL YEAR 2022 WATER AND SEWER RATE RECOMMENDATIONS



Prepared for the Select Board acting as Water & Sewer Commissioners
TOWN OF NATICK



Table of Contents

<u>Item</u>	<u>Page</u>
Section I: Status of the Water/Sewer Enterprise Fund	
- FY 2021 in Review	1
o Usage	
o Financial	
- Impact of FY 2022 Operational & Capital Budgets	3
Section II: Rate Recommendation	
- Rate Setting Methodology	6
- Proposal: 5.5% Water Rate Increase and 5.5% Sewer Rate Increase	8
Attachments	
A - Water/Sewer Enterprise Fund Financial Policies	
B - Rate Change History	
C - Retained Earnings History	
D - Usage History by Rate Code	
E - Usage History by Land Use	
F - MWRA Sewer Assessment History	
G - Proposed Water/Sewer Rates FY2022	
H1/H2 - Proposed Sample Bills	
I - Peer Community Rate Comparison	



Section I: Status of the Water/Sewer Enterprise Fund

The Town of Natick operates the Water/Sewer Enterprise Fund to separately account for the operations of providing water and sanitary sewer services to the residents of Natick. According to the Massachusetts Department of Revenue, an enterprise fund is established “under G.L. c. 44, § 53F½ to separately account for municipal services of a proprietary nature, *i.e.*, those services provided to individual customers for a charge in a manner similar to private business.” Fees and/or rates are charged for this service and the fund is segregated from the other financial operations of the Town of Natick. ¹

Water and sewer rate setting considers appropriated expenses of the Water & Sewer Enterprise Fund, forecasted water usage, and anticipated revenue to create a self-sustaining enterprise fund. As with any budget, the setting of rates and planning of expenditures is just that – a plan. Reality, especially when it comes to an industry directly impacted by regulation, climate conditions and the weather, often differs.

FY 2021 Rates in Review

The primary factor in setting the rates for FY 2021 was to continue increasing Retained Earnings (reserves) to the guidelines set forth in the Select Board’s Water/Sewer Enterprise Fund Financial Policies. The Policies suggest a Retained Earnings minimum target balance of 10% of gross revenues (approximately \$1.6 million). With the 7.5% rate increase set by the Board for FY2021, Retained Earnings are forecast to rise by \$200,000 to a balance of \$1.3 million at the close of FY2021.

For reference, Attachment B presents a summary of rate changes per fiscal year since FY2009 and Attachment C presents the Certified Retained Earnings balance history by fiscal year.

Usage Impacts

Usage has remained relatively consistent for several years. A summary of actual overall water usage and irrigation usage for FY 2017-21 is shown in the table below. Attachment D provides greater detail for usage history by Rate Code.

¹ For more information, please see Massachusetts Department of Revenue, Bureau of Accounts. [Informational Guideline Release 08-101, Enterprise Funds, G.L. c. 44, § 53F½](#). Commonwealth of Massachusetts. Boston, MA. April 2008.



Water & Sewer Usage (in Hundred Cubic Feet)						
FY 2017	FY2018	FY2019	FY2020	FY2021	3 Year Average	5 Year Average
1,338,585	1,328,038	1,344,969	1,293,185	1,317,375	1,318,510	1,324,430
Irrigation Usage (in Hundred Cubic Feet)						
FY 2017	FY2018	FY2019	FY2020	FY2021	3 Year Average	5 Year Average
161,807	171,544	178,662	178,191	193,056	183,303	176,652

Usage observations:

- Overall Usage has remained consistent with 3 and 5 Year Averages
- Irrigation usage has slightly increased
- Sewer Only and Water Only usage have declined slightly
- Changes in overall water usage have been negligible through the COVID-19 pandemic. Though commercial water usage declined during the pandemic, residential usage increased.
- Implementation of water use restrictions on non-essential outdoor usage generally reduces water consumption by 15 to 20%. Consumption rapidly returns to annual averages once the use restriction is ended.

FY 2022 Operating & Capital Budgets

The establishment of rates for the Water/Sewer Enterprise Fund is directly a factor of the expenses necessary to provide the service. In other words, the Town of Natick must use an expense-driven model when determining required revenues for the upcoming year. This gives a strong incentive to the Commissioners and the Operators to make sure operations are as efficient and cost effective as possible.

Rates and fees are set in order to collect the appropriated expenditures for the Water and Sewer Enterprise Fund for FY 2022 as shown below.



Town of Natick

FY 2022 Water/Sewer Rate Setting

	Actual FY2019	Actual FY2020	FY2021 Budget	FY2022 Budget
Water Salaries	\$ 1,230,404	\$ 1,276,455	\$ 1,311,645	\$ 1,311,299
Water Expenses	\$ 996,132	\$ 1,171,780	\$ 1,142,549	\$ 987,778
Sewer Salaries	\$ 768,186	\$ 800,056	\$ 838,850	\$ 837,643
Sewer Expenses	\$ 6,317,573	\$ 6,338,513	\$ 6,796,623	\$ 6,802,315
W / S Billing Salaries	\$ 79,789	\$ 92,058	\$ 106,497	\$ 106,497
W / S Billing Expenses	\$ 58,322	\$ 43,893	\$ 89,000	\$ 74,000
51Employee Benefits	\$ 809,698	\$ 865,652	\$ 927,845	\$ 963,039
Reserve Fun	\$ 105,262	\$ 200,000	\$ 200,000	\$ 200,000
Indirect Expenses	\$ 2,218,150	\$ 2,533,300	\$ 2,697,486	\$ 2,848,079
Capital Improvement (Cash Capital)	\$ 283,500	\$ 390,000	\$ 365,000	\$ 372,300
Debt Service	\$ 2,442,895	\$ 2,441,845	\$ 2,591,356	\$ 2,155,473

				Amount to Raise
Total	\$ 15,309,911	\$ 16,153,552	\$ 16,701,851	\$ 16,658,423

For FY 2022, the proposed budget for the Water/Sewer Enterprise Fund is \$16,658,423. An offsetting equal revenue amount must be raised.

Major budget components for FY2022 include:

1. Water Sewer Indirect Costs: Increase of \$150,593 (5.6% increase) over FY 2021
2. Water Operating Expenses: Increase of \$62,979 (5.51%) over FY2021 due to increased water quality testing for Polyfluoroalkyl Substances (PFAS). This testing is required for regulatory compliance with new MassDEP drinking water quality standards.
3. Employee Benefits: The Water and Sewer Enterprise Fund must separately budget expenses for employee benefits for staff directly employed in water/sewer activities. These expenses are forecast to increase \$35,194 (3.79% increase) over FY2021, primarily from cost increases for health insurance and LIUNA Pension contributions.
4. Energy Cost Increase: The cost of electricity is forecasted to increase by 1.5%, and represents 7% of the operations budget. The Town's supply contracts help provide predictable estimates.
5. Debt Service: Debt service in FY 2022 is forecast at \$2,155,473. The major capital projects include the rehabilitation or replacement of town wells, water and sewer main



replacements and upgrades, and additional water quality treatment (for PFAS removal). The rate setting model includes debt schedules for currently issued debt and the estimated additional debt for projects included in the Town's Five Year Capital Plan. Increasing debt service is a driver for future rate setting.

6. MWRA Assessment: The MWRA annually sets an assessment to offset the costs to receive and treat the Town's wastewater. This Assessment comprises 85% of the Sewer Enterprise Budget and is anticipated to remain level funded at \$6.35M. The MWRA Board of Directors and the MWRA Advisory Board instituted an interim program to mitigate increases to the FY2021 and FY2022 Assessments charged to member communities. This rate relief program allowed for level funding in the operating budget (reducing the preliminary FY 2022 budget by \$250,000).
7. Personnel Costs: Projected to decrease by \$1,549 for FY 2022 from FY 2021. Staff turnover has contributed to the reduction in payroll costs (new staff hired at lower pay steps).



Section II: Rate Recommendation

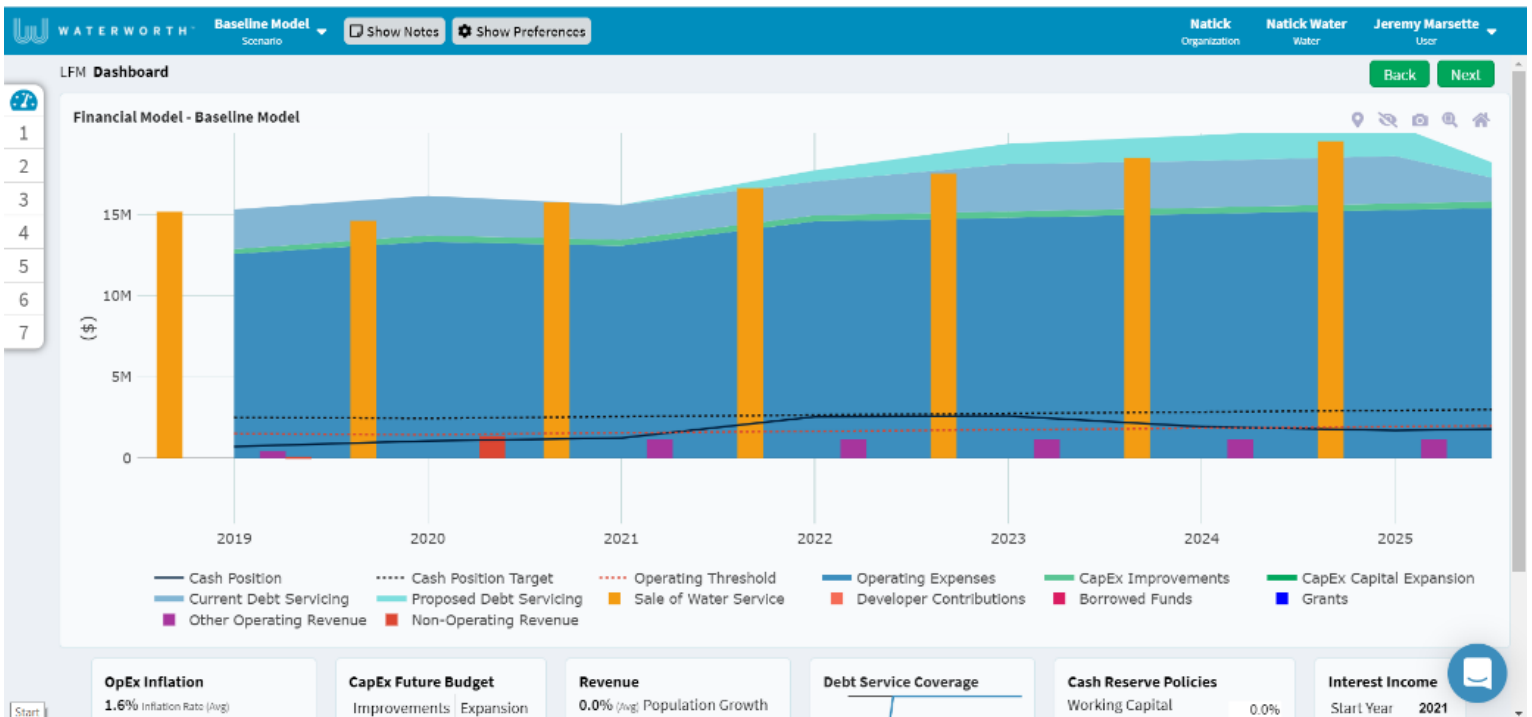
Rate Setting Methodology

As the Water & Sewer Commissioners of the Town of Natick, the Select Board are charged with setting rates necessary to support revenues for the operation of the Water & Sewer Enterprise Fund. The proposed rates of the Water/Sewer Enterprise Fund are established according to the following guiding principles:

- 1) Rates are sufficient to cover expenses in any given year; and,
- 2) Water rates are tiered and designed to foster conservation: the more you use, the more you pay.

Water usage is estimated for future years and is used to calculate revenue based on the proposed rates. This year the Town used Waterworth to model and forecast water and sewer rates. Waterworth is a cloud-based water rate development platform that considers expenses, revenues, and usage to create a multi-year financial forecast. The model inputs include current and proposed capital improvement projects listed in the Five Year Capital Plan (also including

Figure 1. Screenshot of the Waterworth Dashboard showing Natick's Baseline Financial Model





the emergency capital appropriation for additional treatment and removal of PFAS at the Springvale Water Treatment Facility). This new model provides tools for analyzing capital funding scenarios to help mitigate rate impacts and sustainably plan for capital expenditures. Staff will continue to review and update this model to create ever more refined and accurate forecasts.

The proposed bill collection rate is set at 95%. This represents what we actually collect during the fiscal year. Although we bill and will eventually collect 100% of what we read from meters, we collect 95% of the amount billed in a fiscal year. Unfortunately, all accounts are not paid on time, thus delaying the receipt of that collection to a future fiscal year, often through a tax lien.

From FY 2009-2011, the Town implemented a phased averaging of all multi-unit dwellings in the Town of Natick. This was designed to create a fairer and more equitable rate structure for all rate-payers, which has largely worked. An apartment dweller or condominium owner now pays either tier 1 or tier 2 water rates, comparable to what a single-metered single-family home pays. Previously the averaging calculation included an assumption of unit vacancies for multi-unit dwellings. To simplify and add consistence to the calculation, the vacancy rate was removed from this year's water and sewer rate calculation as part of the billing software conversion from Point to Munis.

Recent water usage and revenue has been reviewed against historic averages and has revealed little impact due to the COVID-19 pandemic. Additionally, the water usage forecast for FY2022 assumes the current water restriction on non-essential outdoor use implemented to help meet the new MassDEP drinking water quality standards for Poly-fluoroalkyl Substances (PFAS) will remain in place through November 2021. As a result of the use restriction overall water use may decline by as much as 15% in the aggregate for FY2022.

As noted in the Select Boards Water/Sewer Enterprise Fund Financial Policies, maintaining adequate financial reserves is a fundamental principle of sound financial management. These reserves provide financial security to the Enterprise Fund in the case of unforeseen events and emergency capital needs. These reserves are also considered by bond rating agencies when the Town issues debt for financing capital projects. Retained Earnings (similar to the General Fund's "Free Cash") are reserves that are certified each year by the Mass. Department of Revenue. Retained Earnings for the Water and Sewer Enterprise Fund were certified at the close of FY2020 in the amount of \$1,069,573. It is estimated that the rates set by the Board for FY2021 will increase Retained Earnings to \$1,300,000. The Water/Sewer Enterprise Fund Financial Policies suggest a Retained Earnings minimum target balance of 10% of gross



revenues (approximately \$1.6 million). The rate model shows that the proposed rates for FY2022 will help achieve the minimum reserve balance suggested by the Financial Policies for the close of FY2022.

For FY 2022, staff has prepared the following proposed rate option for the Select Board to consider.

Rate Increase:

Staff recommends the Select Board ***raise the current water rates 5.5% and sewer rates by 5.5%, effective beginning October 1, 2021***

Attachment G presents detailed rate recommendations by usage tier for each rate type.

This rate increase equitably raises water and sewer revenues to offset expenses and improves the Enterprise Fund's fiscal position. The effective rate increase impact on revenues is 4.125% accounting for implementation of the new rates beginning with the second fiscal quarter.

Attachment H presents an analysis of the impact to the average customer for the proposed rates. The average customer utilizes 15 units (HCF) of water and sewer per quarter, therefore would see an increase of approximately \$8 in their quarterly billing.

Attachment I provides a survey and comparison of the typical water and sewer charges of nine peer communities (the comparison includes the proposed FY2022 rate increase). The data shows that the cost of providing water and sewer services is increasing industry wide to fund required capital improvements, maintain aging infrastructure, and to comply with new regulations (peer communities have implemented comparable or larger rate increases to cover expenses). Despite the proposed rate increase, Natick's rates for water and sewer services are competitive.



Attachments



Water/Sewer Enterprise Fund Financial Policies

Attachment A

Adopted May 23, 2011 by the Select Board

To protect the Water & Sewer Enterprise Fund's financial stability and to ensure the availability of adequate financial resources in times of emergency, it is essential that policies regarding the enterprise fund's financial management be adopted and adhered to in the preparation and implementation of the operating and capital budgets.

1) Reserves

Maintaining adequate reserves is a fundamental principle of sound financial management. Although there is no standardized reserve policy guidance for enterprise funds in Massachusetts, industry practice would suggest the following:

- a) Retained Earnings (as certified by the Mass. Department of Revenue eff. July 1 of each fiscal year) shall serve as the principle reserves for the Water & Sewer Enterprise Funds.
- b) Retained Earnings balance should be at least 10% of the gross revenues of the Water & Sewer Enterprise Fund after accounting for planned draws in any fiscal year (e.g. capital purchases).
- c) Reserves can be used for any lawful purpose, but serve primarily to provide financial security in case of catastrophic and unforeseen events, or capital and asset renewal and replacement.
- d) Reserves should not be used to subsidize ongoing operations, whenever possible.

2) Capital

In order to preserve the Town's fixed asset base and ensure that Water and Sewer facilities, and equipment efficiently and effectively support the Town's programs and operations, the Town should provide consistent and stable funding sources for the timely and periodic renewal and/or replacement of water/sewer infrastructure, vehicles and equipment. To that end:

- a) Methods of Financing: Generally, the Town should finance all vehicles, equipment and infrastructure with a useful life less than 10 years out of its Retained Earnings. For those vehicles, equipment and infrastructure with a useful life greater than 10 years, the town should consider borrowing as per the regulations set forth under M.G.L. Ch. 44 Sec. 7 & 8 and/or any other applicable laws, if sufficient Retained Earnings are not available.
- b) Debt Management: When borrowing is necessary to finance a capital improvement, the Town Finance Director shall seek to issue bonds in such way as to minimize issuance and interest costs while achieving the best terms for the financial betterment of the Enterprise Fund.
- c) Capital Planning: All capital projects funded through the Enterprise Fund must be part of the agreed to and adopted 5-year Capital Improvement Plan.
- d) Roadway Improvement: Any disruption caused of a paved surface as a result of Water & Sewer Infrastructure Improvements shall be restored as part of the Water & Sewer project and paid for out of revenues of the Water & Sewer Enterprise Fund.



3) Rate Structures

- a) The Town of Natick should continue its established practice of ascending or inclined block rates for water usage in order to promote conservation.
- b) Rates should be proposed and adopted sufficient to cover all costs incurred during the fiscal year with the exception of catastrophic events. Mid-year rate modifications should be avoided whenever possible.

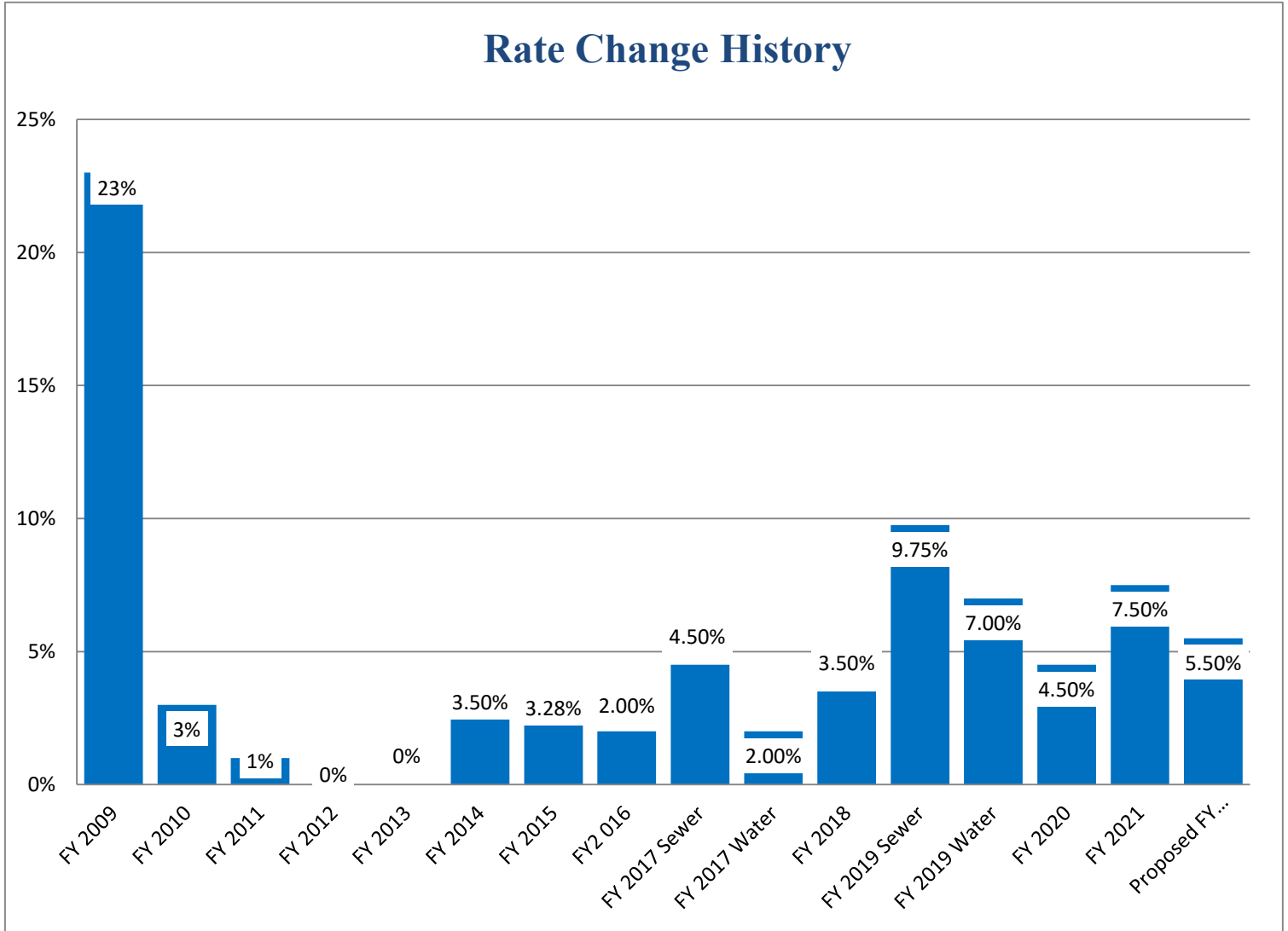
4) Indirect Costs

- a) Indirect costs shall be reviewed at regular intervals to ensure that they are reasonable to the services being provided by the General Fund in support of Water & Sewer Operations.

These policies should be reviewed at regular intervals for their effectiveness and continued improvement.



Water and Sewer Rate Change History





Retained Earnings History

Fiscal Year	2010	2011	2012	2013	2014	2015
Certified Retained Earnings	\$1,390,829	\$1,980,622	\$2,386,297	\$849,404	\$3,342,657	\$1,753,150
Fiscal Year	2016	2017	2018	2019	2020	2021
Certified Retained Earnings	\$1,834,879	\$613,051	\$613,051	\$734,740	\$1,069,573	\$1,259,570





Usage History by Rate Code

This attachment provides a history of gross usage in the water/sewer enterprise fund. Amounts shown are in Hundred Cubic Feet (HCF).

Based on FY2012 Use			Based on FY2013 Use			Based on FY2014 Use		
CODE	USE	AVERAGE	CODE	USE	AVERAGE	CODE	USE	AVERAGE
ELD	5,511	14.31	ELD	5,289	15.15	ELD	4,147	13.55
ELW	873	10.91	ELW	815	12.73	ELW	650	13.54
IRR	137,975	15.64	IRR	162,702	17.86	IRR	167,342	16.08
SEW	9,041	74.72	SEW	9,846	79.40	SEW	11,370	77.35
WAT	131,325	21.50	WAT	130,783	22.22	WAT	128,636	22.07
WSM	1,044,685	16.79	WSM	1,056,027	16.73	WSM	1,067,518	15.89
Total	1,329,410		Total	1,365,462		Total	1,379,663	

Based on FY2015 Use			Based on FY2016 Use			Based on FY2017 Use		
CODE	USE	AVERAGE	CODE	USE	AVERAGE	CODE	USE	AVERAGE
ELD	3,970	13.15	ELD	3,602	13.64	ELD	3,563	12.73
ELW	562	11.71	ELW	463	11.58	ELW	534	13.35
IRR	170,420	16.12	IRR	201,855	18.07	IRR	161,807	14.94
SEW	10,571	83.90	SEW	7,808	47.90	SEW	9,061	60.01
WAT	125,327	21.41	WAT	129,998	22.49	WAT	116,488	20.41
WSM	1,065,326	15.27	WSM	1,067,406	14.75	WSM	1,047,132	14.03
Total	1,376,176		Total	1,411,132		Total	1,338,585	

Based on FY2018 Use			Based on FY2019 Use			Based on FY2020 Use		
CODE	USE	AVERAGE	CODE	USE	AVERAGE	CODE	USE	AVERAGE
ELD	3,536	13.05	ELD	3,265	12.56	ELD	3,299	12.25
ELW	765	19.13	ELW	379	10.53	ELW	425	10.75
IRR	171,544	15.45	IRR	178,662	16.17	IRR	178,191	16.25
SEW	11,180	60.76	SEW	8,376	70.98	SEW	4,634	58.00
WAT	125,280	21.90	WAT	114,098	22.13	WAT	103,053	21.75
WSM	1,015,733	13.72	WSM	1,040,189	15.20	WSM	1,003,583	25.50
Total	1,328,038		Total	1,344,969		Total	1,293,185	

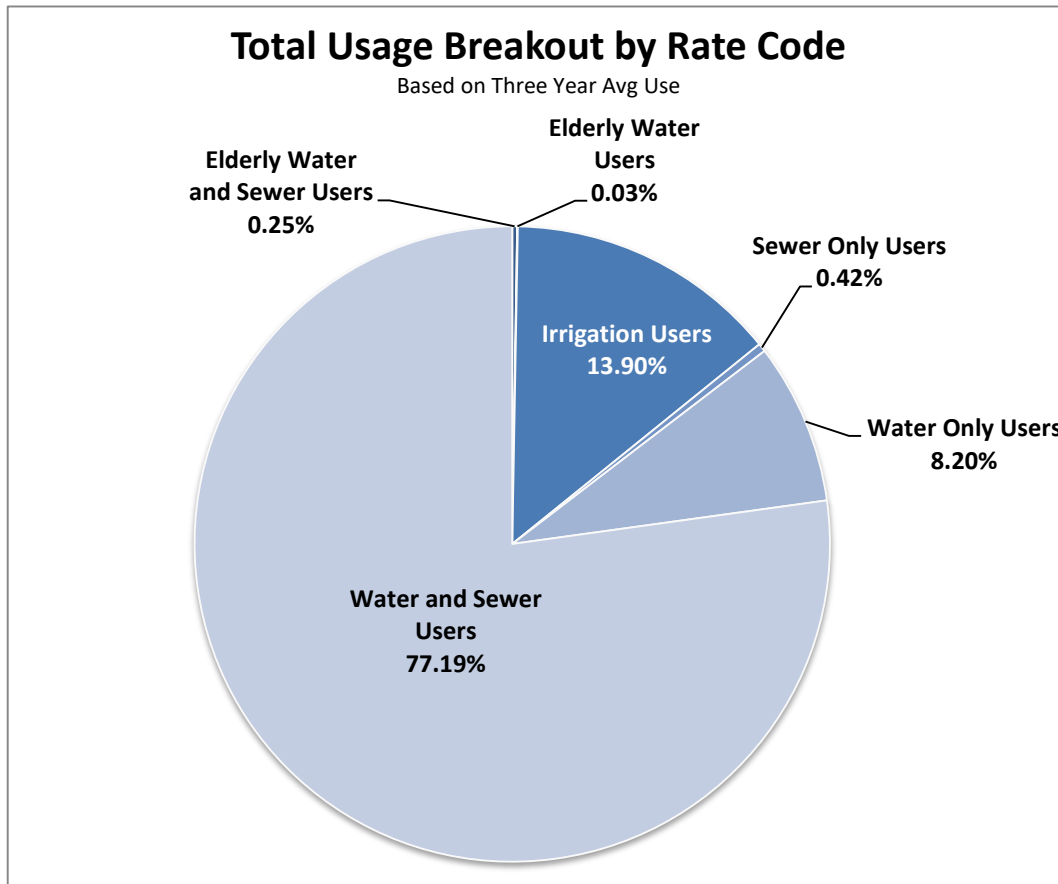
ELD = Elderly, ELW = Elderly Water Only, IRR = Irrigation, SEW = Sewer Only,
 WAT = Water Only, WSM = Water & Sewer Users



Usage History by Rate Code

This attachment provides a history of gross usage in the water/sewer enterprise fund. Amounts shown are in Hundred Cubic Feet (HCF).

Based on FY2021 Use			Three -Year Average			Five -Year Average		
CODE	USE	AVERAGE	CODE	USE	AVERAGE	CODE	USE	AVERAGE
ELD	3,245	12.00	ELD	3,270	12.27	ELD	3,382	12.52
ELW	462	11.50	ELW	422	10.93	ELW	32,440	13.05
IRR	193,056	17.50	IRR	183,303	16.64	IRR	176,652	16.06
SEW	3,720	27.25	SEW	5,577	52.08	SEW	7,394	55.40
WAT	107,356	22.75	WAT	108,169	22.21	WAT	113,255	21.79
WSM	1,009,536	25.50	WSM	1,017,769	22.07	WSM	1,023,235	18.79
Total	1,317,375		Total	1,318,510		Total	1,324,430	

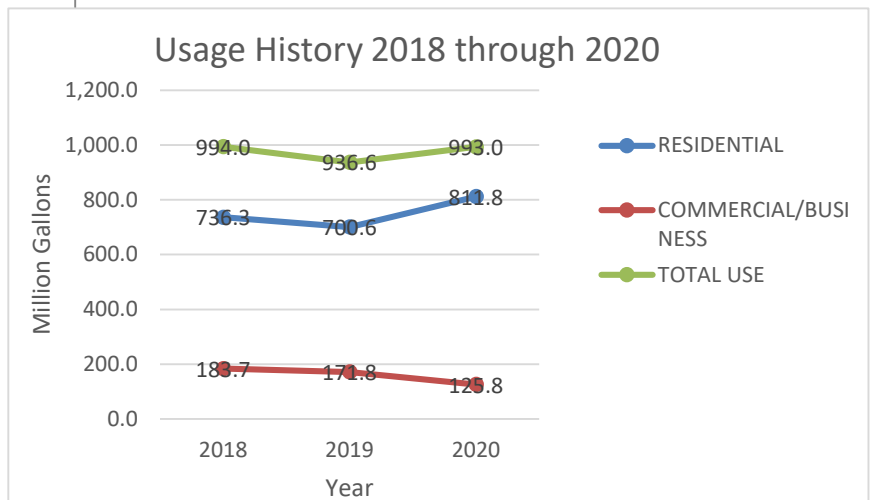
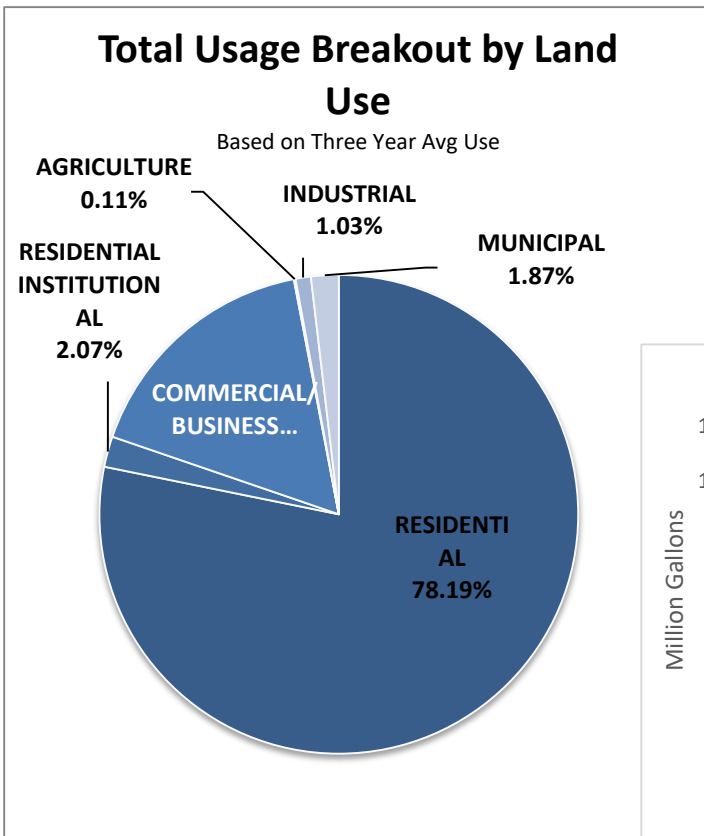




Usage History by Land Use

This attachment provides a history of gross usage by land use in the water/sewer enterprise fund. Amounts shown are in Million Gallons (MGal).

	2018	2019	2020	Average	
RESIDENTIAL	736.3	700.6	811.8	749.6	
RESIDENTIAL INSTITUTIONAL	20.4	19.8	19.2	19.8	
COMMERCIAL/BUSINESS	183.7	171.8	125.8	160.4	
AGRICULTURE	1.3	0.7	1.2	1.1	
INDUSTRIAL	11.9	10.2	7.6	9.9	
MUNICIPAL	21.9	18.8	12.9	17.9	
INST./NON PROFITS	18.3	14.7	14.4	15.8	
TOTAL USE	994.0	936.6	993.0	974.5	

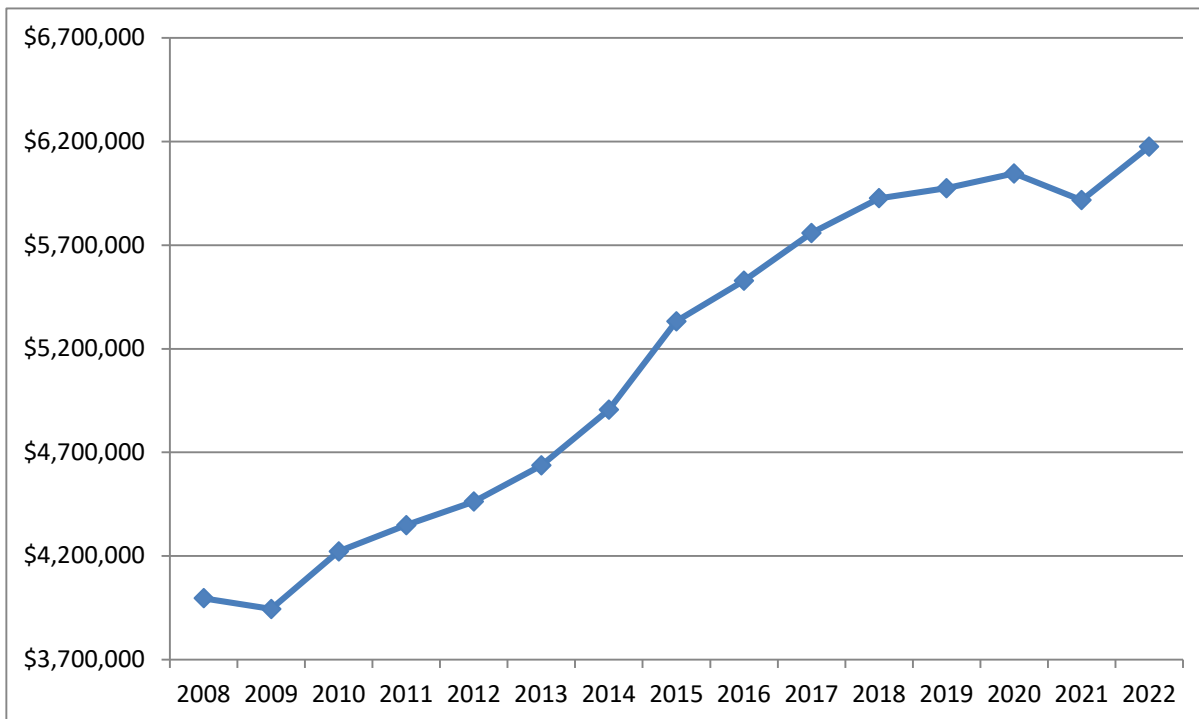




Attachment F

MWRA Sewer Assessment History

Fiscal Year	MWRA Fee	Change	
2008	\$3,993,641		
2009	\$3,941,631	-\$52,010	-1.30%
2010	\$4,219,801	\$278,170	7.06%
2011	\$4,346,280	\$126,479	3.00%
2012	\$4,460,551	\$114,271	2.63%
2013	\$4,634,401	\$173,850	3.90%
2014	\$4,903,457	\$269,056	5.81%
2015	\$5,330,710	\$427,253	8.71%
2016	\$5,526,614	\$195,904	3.68%
2017	\$5,756,705	\$230,091	4.16%
2018	\$5,924,062	\$167,357	2.91%
2019	\$5,972,626	\$48,564	0.82%
2020	\$6,044,147	\$71,521	1.20%
2021	\$5,916,657	-\$127,490	-2.11%
2022	\$6,175,580	\$258,923	4.38%





Attachment G

Proposed Water/Sewer Rates - FY 2022

Water 5.50%

Sewer 5.50%

This page shows comparative rates between FY 2020 and FY2021 in a variety of different rate categories and blocks. To calculate your bill, simply take your usage by tier and then apply the appropriate Rate for either Water and/or Sewer services.

Combined Water & Sewer Rates

FY 2021			FY 2022		
0-10	Water	\$ 2.13	0-10	Water	\$ 2.25
	Sewer	\$ 6.04		Sewer	\$ 6.37
11-20	Water	\$ 3.26	11-20	Water	\$ 3.44
	Sewer	\$ 10.76		Sewer	\$ 11.35
21-40	Water	\$ 4.83	21-40	Water	\$ 5.10
	Sewer	\$ 17.79		Sewer	\$ 18.77
40+	Water	\$ 7.50	40+	Water	\$ 7.91
	Sewer	\$ 17.79		Sewer	\$ 18.77

Combined Elderly Rates

FY 2021			FY 2022		
0-10	Water	\$ -	0-10	Water	\$ -
	Sewer	\$ -		Sewer	\$ -
11-20	Water	\$ -	11-20	Water	\$ -
	Sewer	\$ -		Sewer	\$ -
21-40	Water	\$ 2.44	21-40	Water	\$ 2.57
	Sewer	\$ 12.66		Sewer	\$ 13.36
40+	Water	\$ 5.33	40+	Water	\$ 5.62
	Sewer	\$ 12.66		Sewer	\$ 13.36

Water Only

FY 2021			FY 2022		
0-10	Water	\$ 2.13	0-10	Water	\$ 2.25
11-20	Water	\$ 3.26	11-20	Water	\$ 3.44
21-40	Water	\$ 4.83	21-40	Water	\$ 5.10
40+	Water	\$ 12.15	40+	Water	\$ 12.82

Elderly Water Only

FY 2021			FY 2022		
0-10	Water	\$ -	0-10	Water	\$ -
11-20	Water	\$ -	11-20	Water	\$ -
21-40	Water	\$ 3.44	21-40	Water	\$ 3.63
40+	Water	\$ 5.33	40+	Water	\$ 5.62

Irrigation

FY 2021			FY 2022		
0-10	Water	\$ 3.81	0-10	Water	\$ 4.02
11-20	Water	\$ 7.42	11-20	Water	\$ 7.83
21-40	Water	\$ 9.91	21-40	Water	10.46
40+	Water	\$ 12.15	40+	Water	12.82

Sewer Only

FY 2021			FY 2022		
0-10	Sewer	\$ 6.04	0-10	Sewer	\$ 6.37
		\$ -			\$ -
11-20	Sewer	\$ 10.76	11-20	Sewer	\$ 11.35
		\$ -			\$ -
20+	Sewer	\$ 17.79	20+	Sewer	\$ 18.77



Town of Natick

FY 2022 Water/Sewer Rate Setting

Attachment H-1

Sample Bills & Increases by Rate Type

The next two pages show current rates and proposed rates between FY 2021 and FY 2022 with a comparative % column to the far right.

FY 2021 Rates				Proposed FY 2022 Rates			%
Standard Water and Sewer User				Standard Water and Sewer User			
Usage (HCF)	Quarterly Amount	Annual Amount		Usage (HCF)	Quarterly Amount	Annual Amount	
5	\$ 45.85	\$ 183.40		5	\$ 48.37	\$ 193.49	5.5%
20	\$ 226.90	\$ 907.60		20	\$ 239.38	\$ 957.52	5.5%
40	\$ 679.30	\$ 2,717.20		40	\$ 716.66	\$ 2,866.65	5.5%
75	\$ 1,564.45	\$ 6,257.80		75	\$ 1,650.49	\$ 6,601.98	5.5%
120	\$ 2,702.50	\$ 10,810.00		120	\$ 2,851.14	\$ 11,404.55	5.5%
Elderly Discount Eligible				Elderly Discount Eligible			
Usage (HCF)	Quarterly Amount	Annual Amount		Usage (HCF)	Quarterly Amount	Annual Amount	
5	\$ -	\$ -		5	\$ -	\$ -	0.0%
20	\$ -	\$ -		20	\$ -	\$ -	0.0%
40	\$ 322.00	\$ 1,288.00		40	\$ 339.71	\$ 1,358.84	5.5%
75	\$ 951.65	\$ 3,806.60		75	\$ 1,003.99	\$ 4,015.96	5.5%
120	\$ 1,761.20	\$ 7,044.80		120	\$ 1,858.07	\$ 7,432.26	5.5%
Water Only User				Water Only User			
Usage (HCF)	Quarterly Amount	Annual Amount		Usage (HCF)	Quarterly Amount	Annual Amount	
5	\$ 15.65	\$ 62.60		5	\$ 16.51	\$ 66.04	5.5%
20	\$ 58.90	\$ 235.60		20	\$ 62.14	\$ 248.56	5.5%
40	\$ 155.50	\$ 622.00		40	\$ 164.05	\$ 656.21	5.5%
75	\$ 580.75	\$ 2,323.00		75	\$ 612.69	\$ 2,450.77	5.5%
120	\$ 1,127.50	\$ 4,510.00		120	\$ 1,189.51	\$ 4,758.05	5.5%
Irrigation User				Irrigation User			
Usage (HCF)	Quarterly Amount	Annual Amount		Usage (HCF)	Quarterly Amount	Annual Amount	
5	\$ 24.05	\$ 96.20		5	\$ 25.37	\$ 101.49	5.5%
20	\$ 117.30	\$ 469.20		20	\$ 123.75	\$ 495.01	5.5%
40	\$ 315.50	\$ 1,262.00		40	\$ 332.85	\$ 1,331.41	5.5%
75	\$ 740.75	\$ 2,963.00		75	\$ 781.49	\$ 3,125.97	5.5%
120	\$ 1,287.50	\$ 5,150.00		120	\$ 1,358.31	\$ 5,433.25	5.5%



Town of Natick

FY 2022 Water/Sewer Rate Setting

Sample Quarterly Bills - Combined Water & Sewer Rates

Attachment H-2

This chart shows in detail the different costs by use for the most common user of Water & Sewer services in this rate option.

Usage	Fiscal Year			Difference	
	2021	2022		\$	%
0	\$ 5.00	\$ 5.28	\$	0.27	5.5%
1	\$ 13.17	\$ 13.89	\$	0.72	5.5%
2	\$ 21.34	\$ 22.51	\$	1.17	5.5%
3	\$ 29.51	\$ 31.13	\$	1.62	5.5%
4	\$ 37.68	\$ 39.75	\$	2.07	5.5%
5	\$ 45.85	\$ 48.37	\$	2.52	5.5%
6	\$ 54.02	\$ 56.99	\$	2.97	5.5%
7	\$ 62.19	\$ 65.61	\$	3.42	5.5%
8	\$ 70.36	\$ 74.23	\$	3.87	5.5%
9	\$ 78.53	\$ 82.85	\$	4.32	5.5%
10	\$ 86.70	\$ 91.47	\$	4.77	5.5%
11	\$ 100.72	\$ 106.26	\$	5.54	5.5%
12	\$ 114.74	\$ 121.05	\$	6.31	5.5%
13	\$ 128.76	\$ 135.84	\$	7.08	5.5%
14	\$ 142.78	\$ 150.63	\$	7.85	5.5%
14.68	\$ 152.31	\$ 160.69	\$	8.38	5.5%
Current Quarterly Average Use (after averaging)					
15	\$ 156.80	\$ 165.42	\$	8.62	5.5%
16	\$ 170.82	\$ 180.22	\$	9.40	5.5%
17	\$ 184.84	\$ 195.01	\$	10.17	5.5%
18	\$ 198.86	\$ 209.80	\$	10.94	5.5%
19	\$ 212.88	\$ 224.59	\$	11.71	5.5%
20	\$ 226.90	\$ 239.38	\$	12.48	5.5%
25	\$ 340.00	\$ 358.70	\$	18.70	5.5%
30	\$ 453.10	\$ 478.02	\$	24.92	5.5%
35	\$ 566.20	\$ 597.34	\$	31.14	5.5%
40	\$ 679.30	\$ 716.66	\$	37.36	5.5%
45	\$ 805.75	\$ 850.07	\$	44.32	5.5%
50	\$ 932.20	\$ 983.47	\$	51.27	5.5%
55	\$ 1,058.65	\$ 1,116.88	\$	58.23	5.5%
60	\$ 1,185.10	\$ 1,250.28	\$	65.18	5.5%
65	\$ 1,311.55	\$ 1,383.69	\$	72.14	5.5%
70	\$ 1,438.00	\$ 1,517.09	\$	79.09	5.5%
75	\$ 1,564.45	\$ 1,650.49	\$	86.04	5.5%
80	\$ 1,690.90	\$ 1,783.90	\$	93.00	5.5%
85	\$ 1,817.35	\$ 1,917.30	\$	99.95	5.5%
90	\$ 1,943.80	\$ 2,050.71	\$	106.91	5.5%
100	\$ 2,196.70	\$ 2,317.52	\$	120.82	5.5%
500	\$ 12,312.70	\$ 12,989.90	\$	677.20	5.5%
1000	\$ 24,957.70	\$ 26,330.37	\$	1,372.67	5.5%



Attachment I

Peer Community Comparison

	<u>Annual</u>	<u>15 HCF per Quarter</u>	<u>MWRA Type</u>
Ashland	\$1,089.80	\$272.45	S
Braintree	\$920.40	\$230.10	S
Dedham-Westwood	\$799.72	\$199.93	S
Framingham	\$965.52	\$241.38	W/S
Natick	\$740.60	\$185.15	S
Needham	\$1,193.28	\$298.32	S *
Newton	\$1,145.60	\$286.40	W/S
Randolph	\$851.40	\$212.85	S
Walpole	\$901.68	\$225.42	S
Wellesley	\$889.44	\$222.36	S *

* Partial MWRA Water

