



Town of Belmont

FY 2025 Water and Sewer Rate Study

Selectboard Meeting

April 8, 2024



Water and Sewer Rate History

			<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
			<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
Water Rates (Monthly)													
	<u>Volumetric Rate (per CCF)</u>	<u>Tier</u>											
	Regular Rate												
	Block 1	0 - 30	\$ 5.68	\$ 5.91	\$ 6.06	\$ 6.35	\$ 6.52	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.62	\$ 6.91
	Block 2	> 30	6.53	6.79	6.96	7.29	7.48	7.59	7.59	7.59	7.59	7.59	7.92
	Lifeline Rate		\$ 3.98	\$ 4.14	\$ 4.25	\$ 4.45	\$ 4.57	\$ 4.64	\$ 4.64	\$ 4.64	\$ 4.64	\$ 4.64	\$ 4.84
	Irrigation Rate		\$ 6.85	\$ 7.12	\$ 7.30	\$ 7.65	\$ 7.85	\$ 7.97	\$ 7.97	\$ 7.97	\$ 7.97	\$ 7.97	\$ 8.32
	<u>Fixed Charge</u>												
	5/8"		\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.69	\$ 6.86	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.95	\$ 6.62
	3/4"		6.38	6.38	6.38	6.69	6.86	6.95	6.95	6.95	6.95	6.95	8.28
	1"		6.84	6.84	6.84	7.17	7.35	7.46	7.46	7.46	7.46	7.46	11.83
	1.5"		8.38	8.38	8.38	8.78	9.01	9.14	9.14	9.14	9.14	9.14	20.91
	2"		9.28	9.28	9.28	9.73	9.98	10.11	10.11	10.11	10.11	10.11	31.31
	3"		9.81	9.81	9.81	10.28	10.55	10.70	10.70	10.70	10.70	10.70	54.77
	4"		15.77	15.77	15.77	16.52	16.95	17.18	17.18	17.18	17.18	17.18	90.97
	6"		20.97	20.97	20.97	21.98	22.55	22.85	22.85	22.85	22.85	22.85	176.45
	8"		27.67	27.67	27.67	28.99	29.75	30.15	30.15	30.15	30.15	30.15	279.26
	Lifeline Rate		4.47	4.47	4.47	4.68	4.81	4.86	4.86	4.86	4.86	4.86	4.63
Sewer Rates (Monthly)													
	<u>Volumetric Rate (per CCF)</u>												
	Regular Rate		\$ 11.25	\$ 11.81	\$ 12.12	\$ 12.68	\$ 12.91	\$ 12.91	\$ 12.91	\$ 12.91	\$ 12.91	\$ 12.91	\$ 13.98
	Lifeline Rate		\$ 7.88	\$ 8.27	\$ 8.49	\$ 8.88	\$ 9.04	\$ 9.04	\$ 9.04	\$ 9.06	\$ 9.06	\$ 9.06	\$ 9.79
	<u>Fixed Charge</u>												
	5/8"		\$ 5.30	\$ 5.56	\$ 5.71	\$ 5.97	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.08	\$ 6.00
	3/4"		5.68	5.96	6.12	6.40	6.51	6.51	6.51	6.52	6.52	6.52	7.71
	1"		6.27	6.58	6.75	7.06	7.19	7.19	7.19	7.20	7.20	7.20	11.05
	1.5"		8.25	8.66	8.88	9.29	9.46	9.46	9.46	9.47	9.47	9.47	19.66
	2"		9.42	9.88	10.14	10.61	10.80	10.80	10.80	10.80	10.80	10.80	29.32
	3"		10.10	10.59	10.87	11.37	11.57	11.57	11.57	11.58	11.58	11.58	50.70
	4"		17.76	18.63	19.12	20.00	20.36	20.36	20.36	20.36	20.36	20.36	85.02
	6"		24.47	25.67	26.34	27.55	28.05	28.05	28.05	28.05	28.05	28.05	163.79
	8"		33.09	34.71	35.62	37.26	37.93	37.93	37.93	37.93	37.93	37.93	258.64
	Lifeline Rate		3.71	3.89	4.00	4.18	4.26	4.26	4.26	4.25	4.25	4.25	4.20

Water Fund Overview - Operations

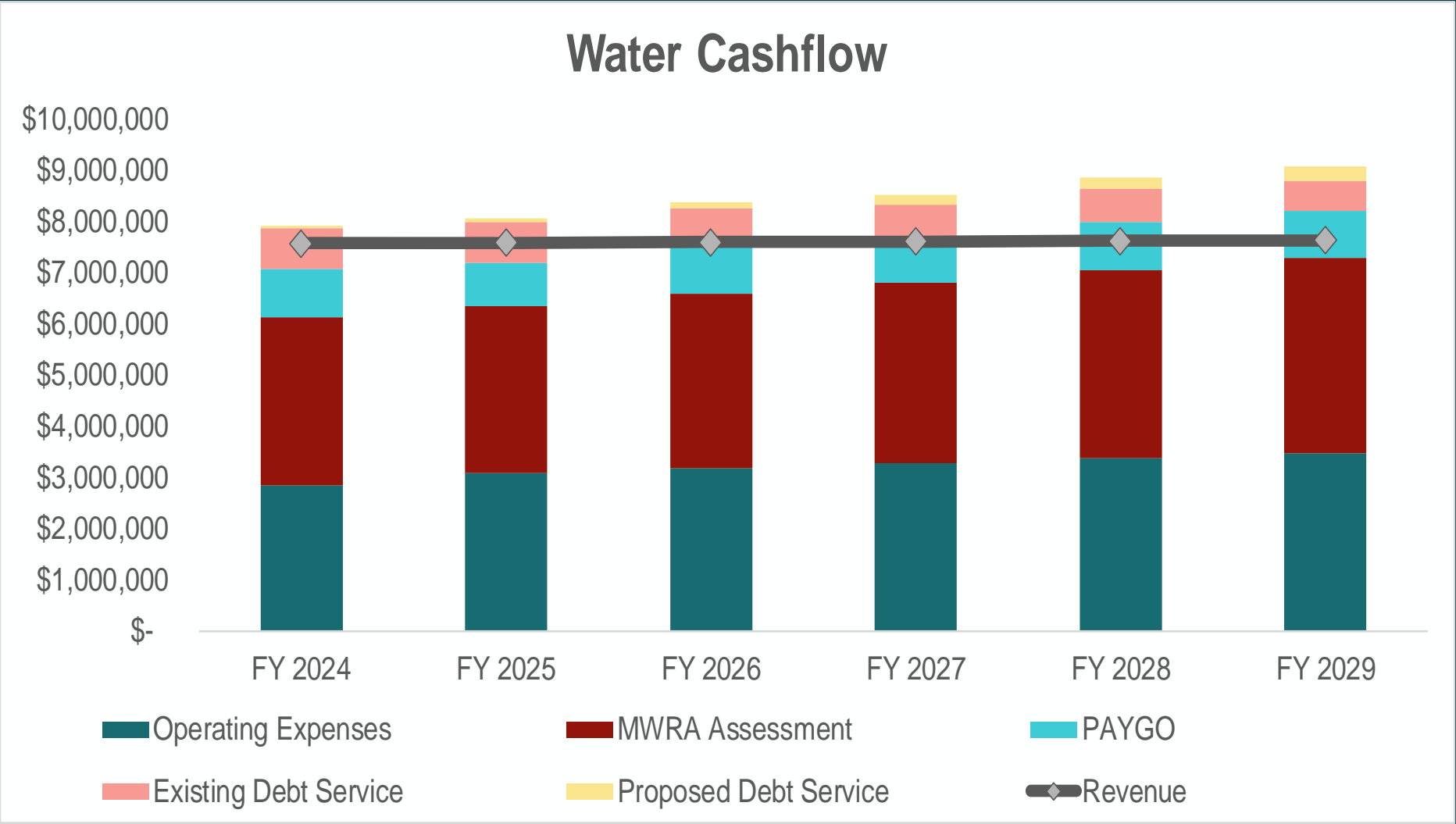
Revenue Requirements	FY 2024	FY2025	FY2026	FY2027	FY2028	FY2029
Wages & Benefits	\$1,568,474	\$1,705,387	\$1,756,548	\$1,809,245	\$1,863,522	\$1,919,428
Other Expenses	\$1,039,910	\$1,136,820	\$1,170,925	\$1,206,052	\$1,242,234	\$1,279,501
MWRA Assessment	\$3,281,643	\$3,266,674	\$3,397,341	\$3,533,235	\$3,674,564	\$3,821,547
Transfers (Indirect/OPEB)	\$251,666	\$256,927	\$264,635	\$272,574	\$280,751	\$289,174
Cash Funded Capital	\$940,100	\$848,803	\$947,137	\$865,805	\$932,645	\$906,898
Debt Service	\$844,488	\$869,920	\$860,288	\$851,050	\$890,425	\$874,400
Revenue Requirements:	\$7,926,281	\$8,084,530	\$8,396,873	\$8,537,961	\$8,884,141	\$9,090,947
% Change		2.0%	3.9%	1.7%	4.1%	2.3%

Projected Water Cash Flow with No Rate Increases

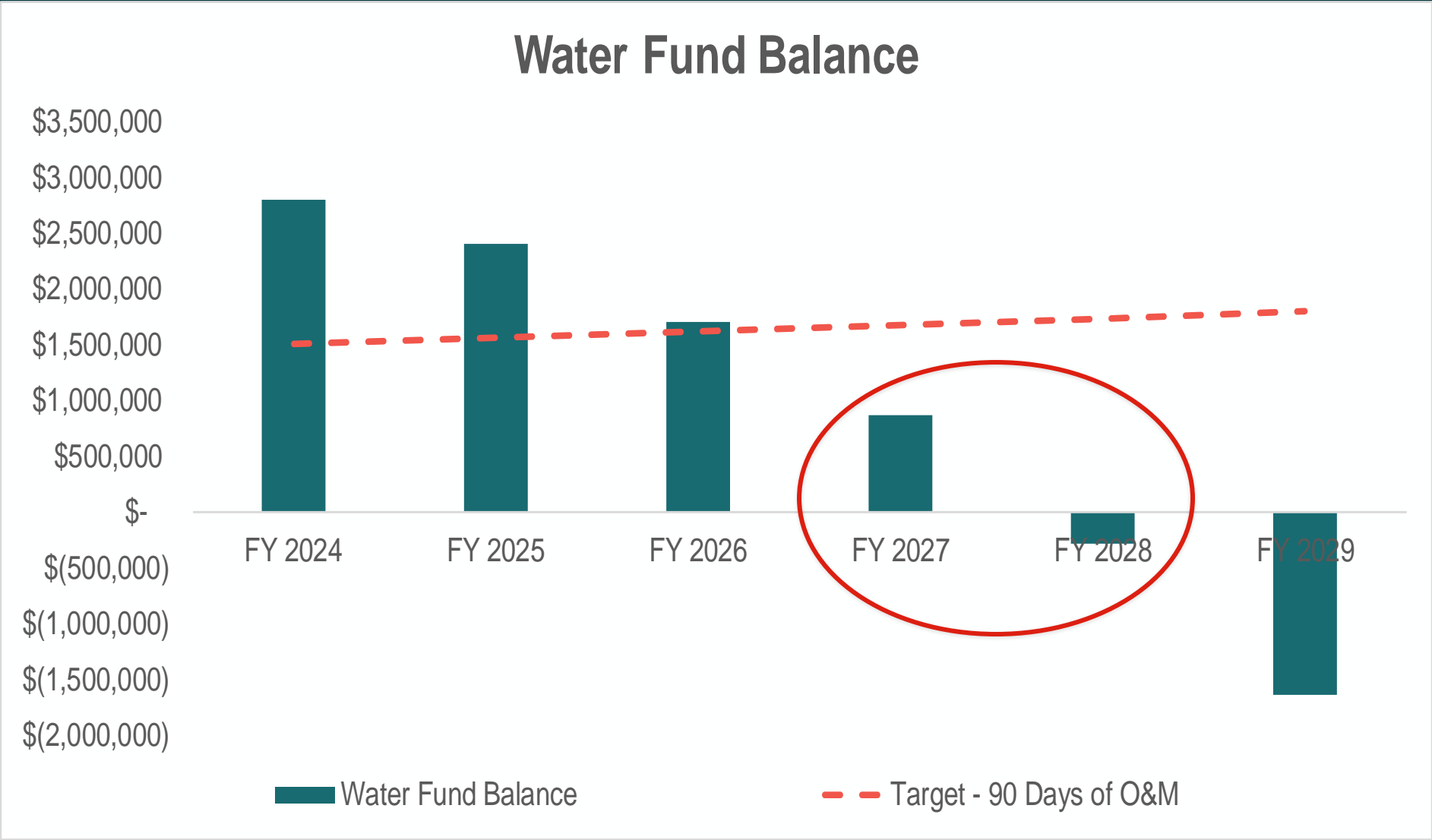
***PAYGO = cash funded capital**

****Columns are Expenses**

****Gray Line is Revenue**



Projected Water Reserve Fund Balance with No Rate Increases



Recommended Rate Increases

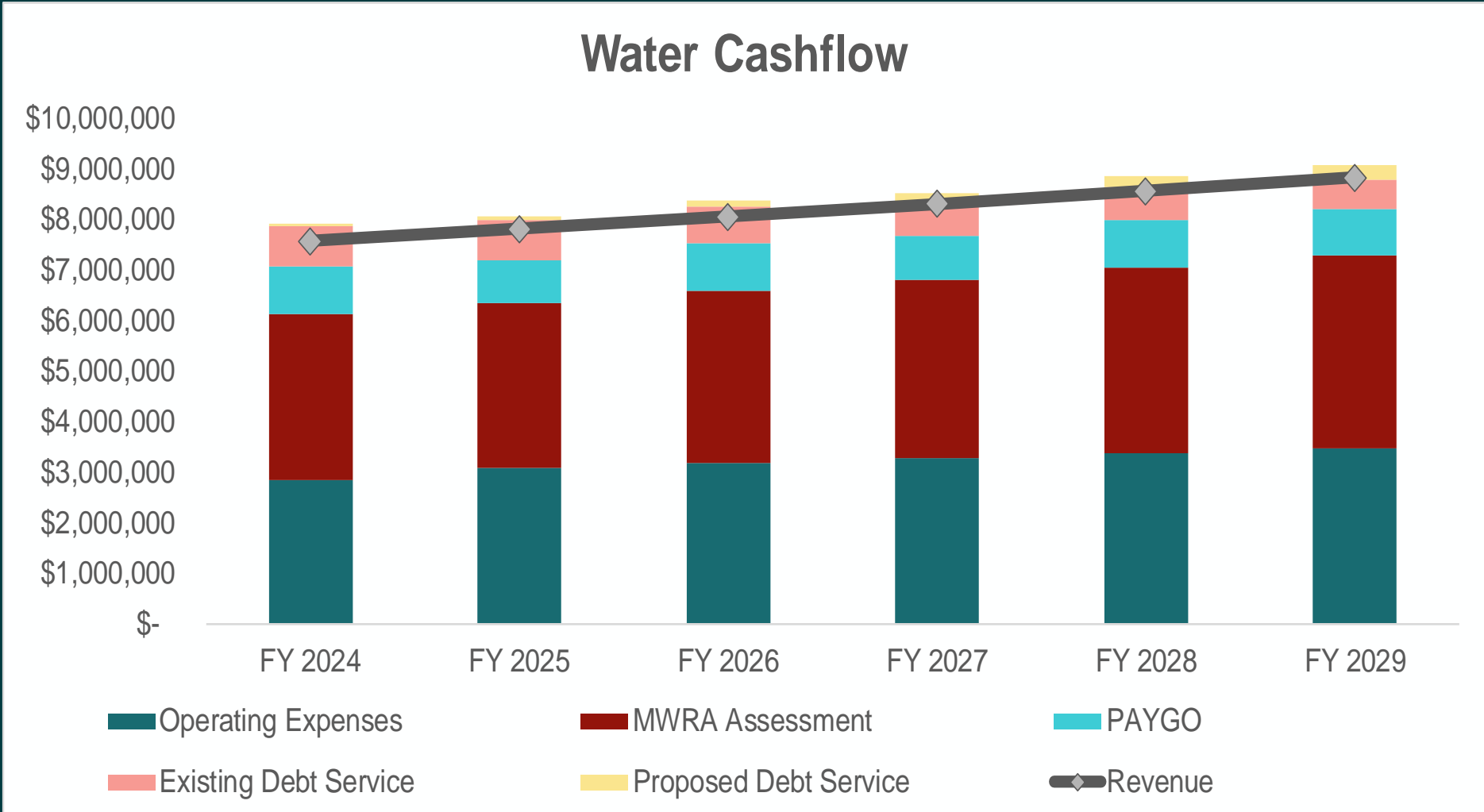
- To ensure financial sufficiency, the Water Fund requires the following rate increases:

	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>
Water Rates	3.0%	3.0%	3.0%	3.0%	3.0%

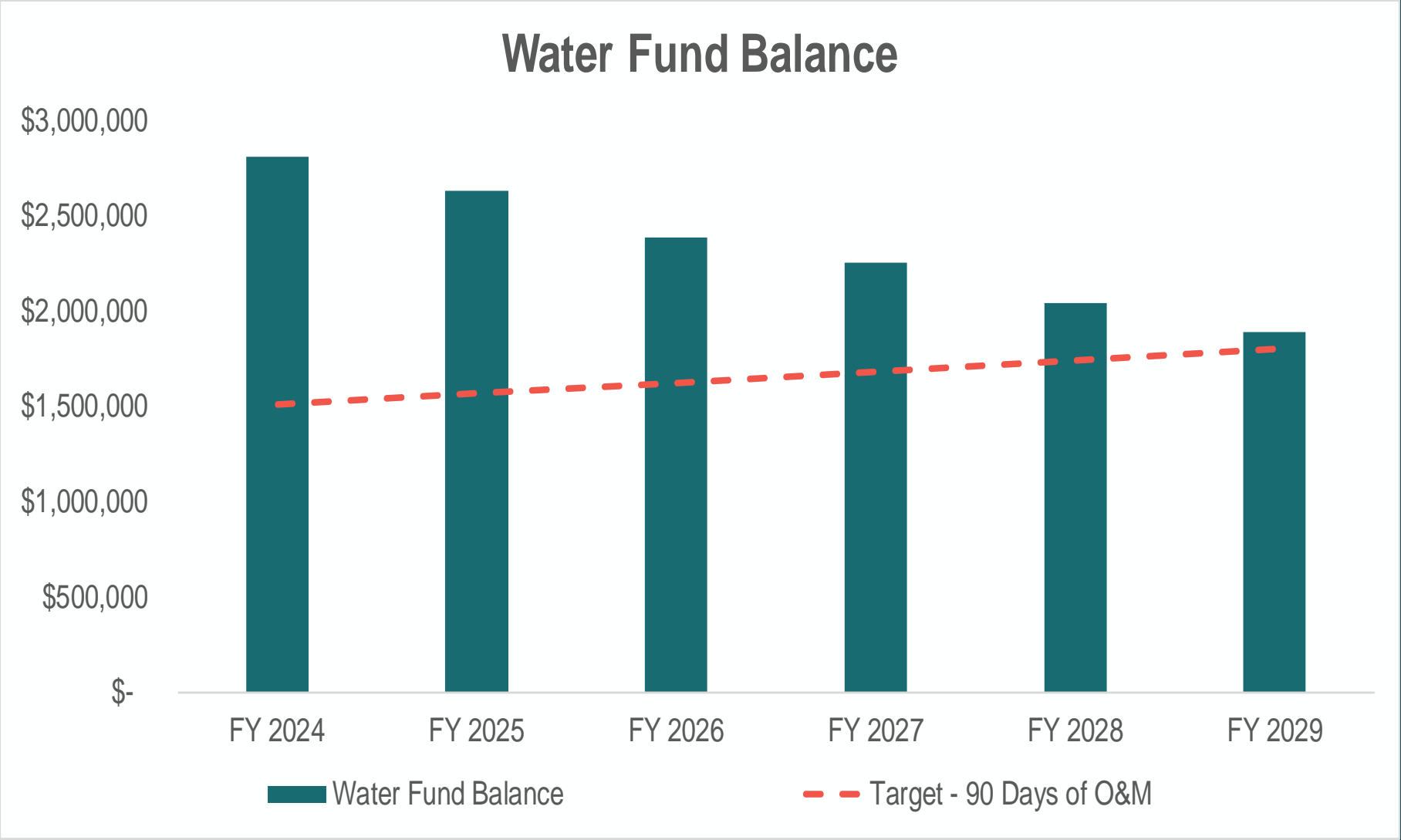
- Although the volumetric and fixed charges could be increased by different amounts, it is recommended to maintain the Water Fund's existing revenue from minimum charges to ensure revenue stability
- Fixed rate structural changes will create varying customer impacts and are presented later in the presentation

Projected Water Cash Flow with Recommended Rate Increases

***PAYGO = cash funded capital**
****Columns are Expenses**
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**Projected
Water
Reserve Fund
Balance with
Recommended
Rate Increases**



Sewer Fund Overview - Operations

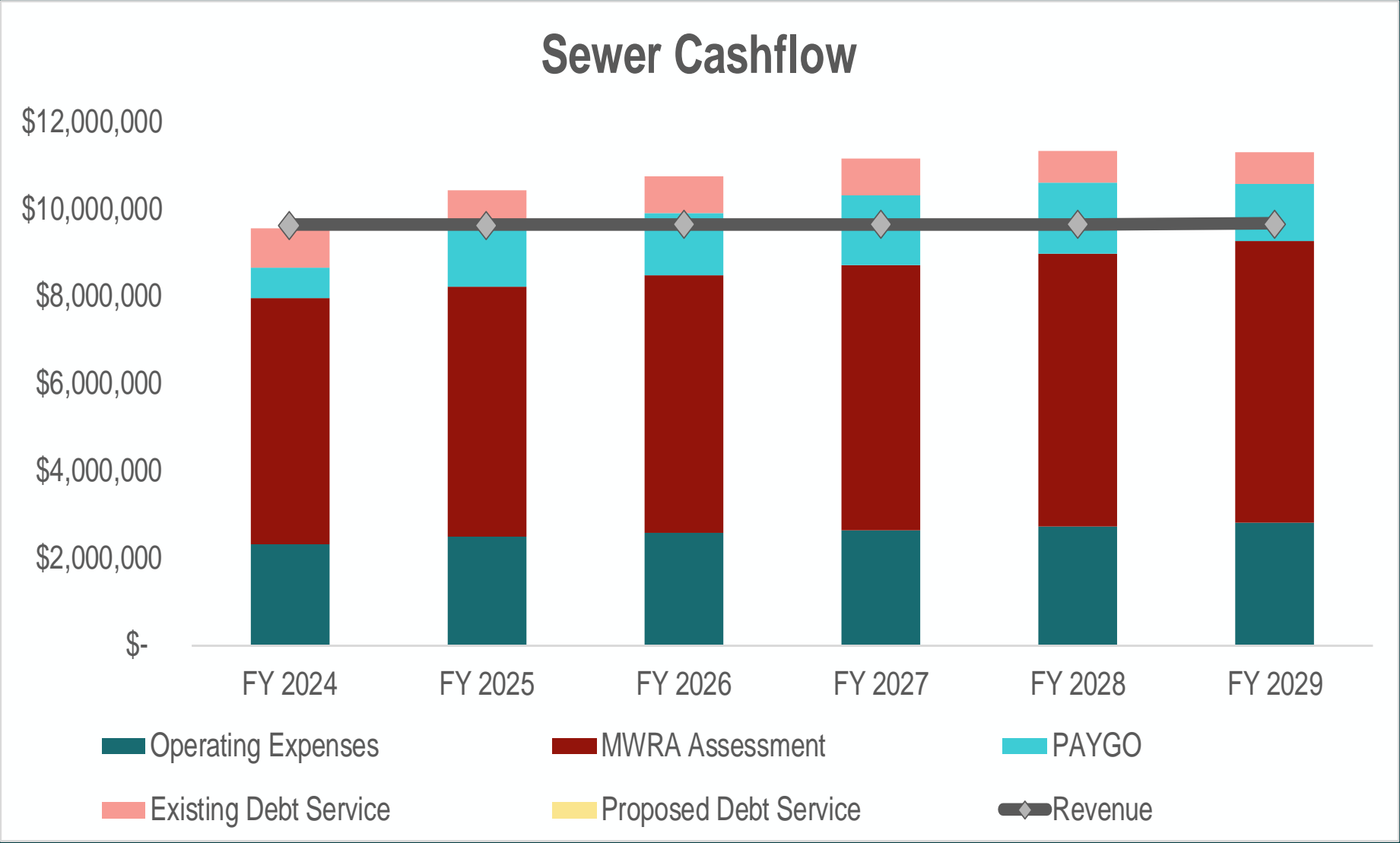
Revenue Requirements	FY 2024	FY2025	FY2026	FY2027	FY2028	FY2029
Wages & Benefits	\$1,295,558	\$1,436,959	\$1,480,068	\$1,524,470	\$1,570,204	\$1,617,310
Other Expenses	\$758,393	\$780,471	\$803,885	\$828,002	\$852,842	\$878,427
MWRA Assessment	\$5,652,772	\$5,735,537	\$5,907,603	\$6,084,831	\$6,267,376	\$6,455,397
Transfers (Indirect/OPEB)	\$252,821	\$279,310	\$287,689	\$296,320	\$305,210	\$314,366
Cash Funded Capital	\$700,000	\$1,315,510	\$1,445,240	\$1,606,825	\$1,631,100	\$1,339,735
Debt Service	\$911,413	\$902,119	\$843,891	\$820,922	\$722,966	\$722,376
Revenue Requirements:	\$9,570,957	\$10,449,906	\$10,768,376	\$11,161,370	\$11,349,697	\$11,327,611
% Change		9.2%	3.0%	3.6%	1.7%	-0.2%

Projected Sewer Cash Flow with No Rate Increases

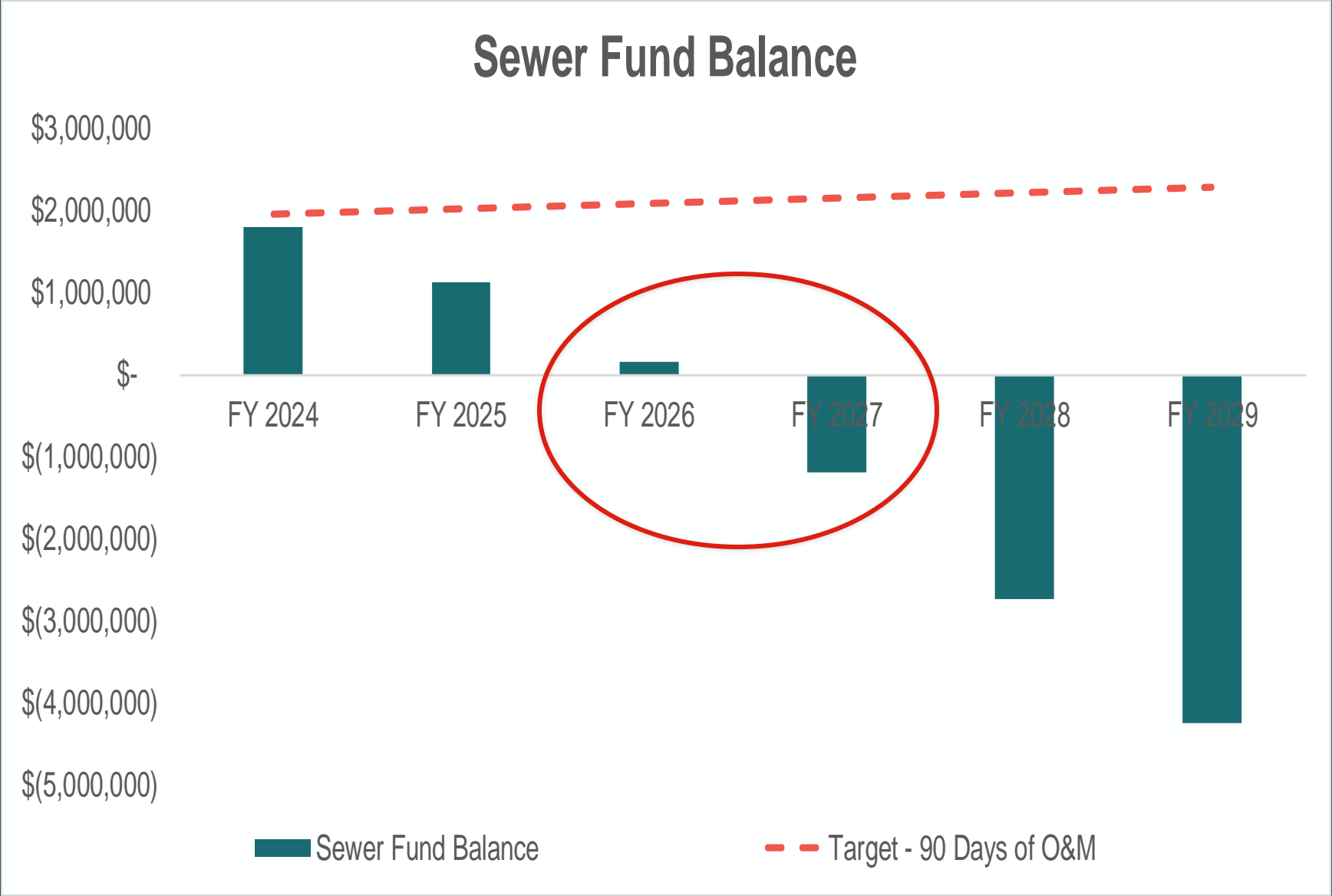
***PAYGO = cash funded capital**

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Projected Water Reserve Fund Balance with No Rate Increases



Recommended Rate Increases

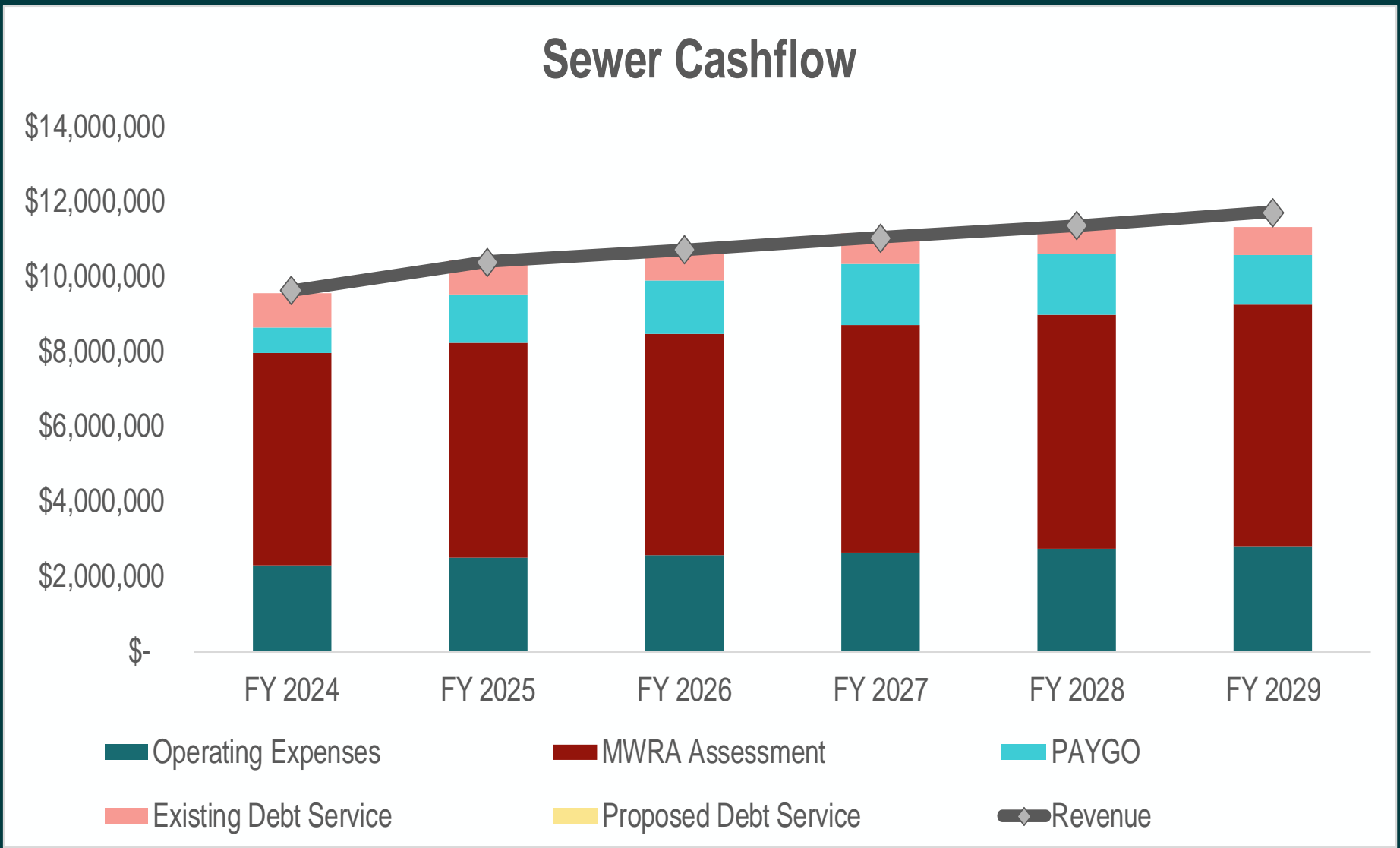
- To ensure financial sufficiency, the Sewer Fund requires the following rate increases:

	<u>FY2025</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>
Sewer Rates	8.0%	3.0%	3.0%	3.0%	3.0%

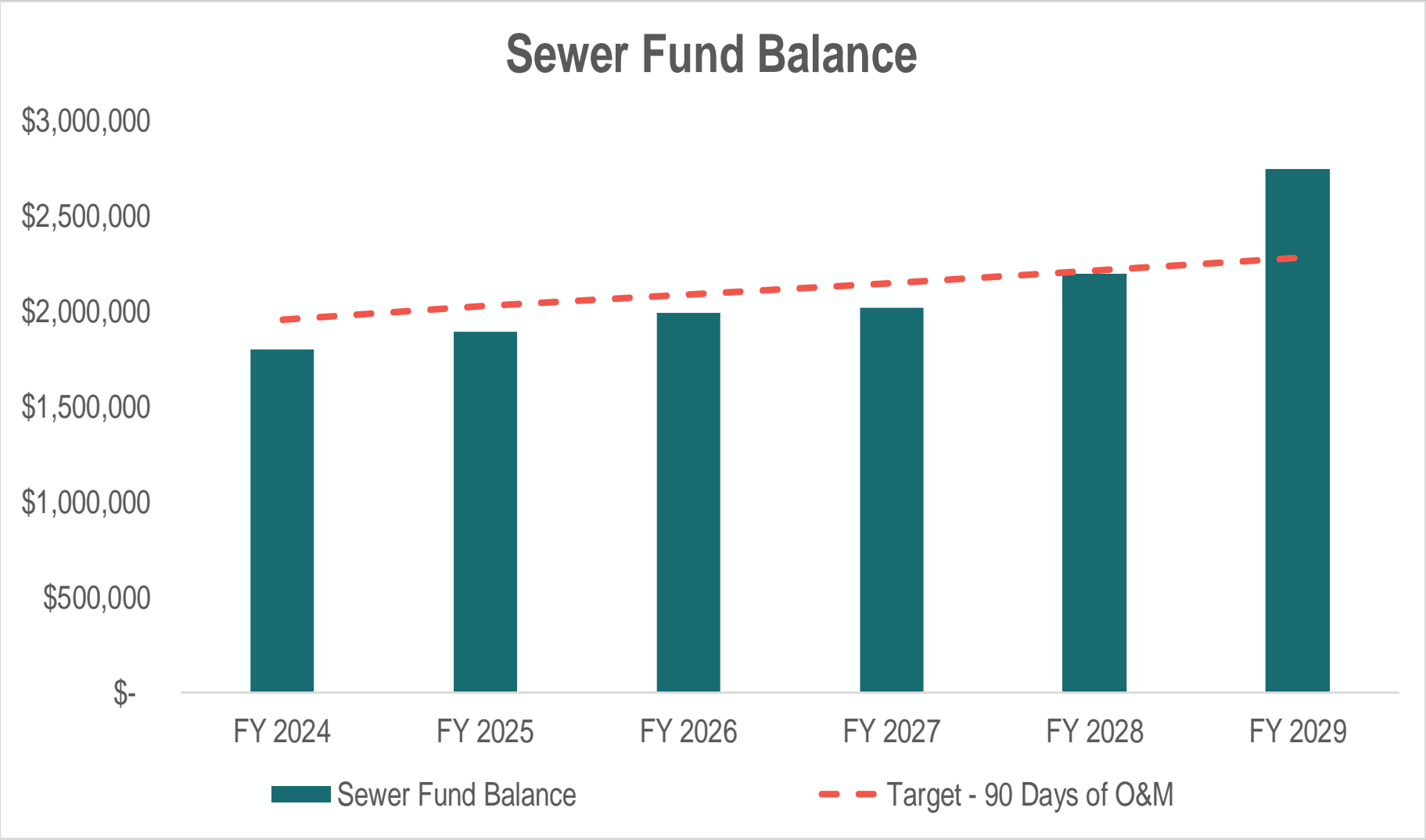
- Although the volumetric and fixed charges could be increased by different amounts, it is recommended to maintain the sewer fund's existing revenue from minimum charges to ensure revenue stability
- Fixed rate structural changes will create varying customer impacts and are presented later in this presentation

Projected Water Cash Flow with Recommended Rate Increases

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**Projected
Water
Reserve Fund
Balance with
Recommended
Rate Increases**



Water Rate Recommendation– FY 2025

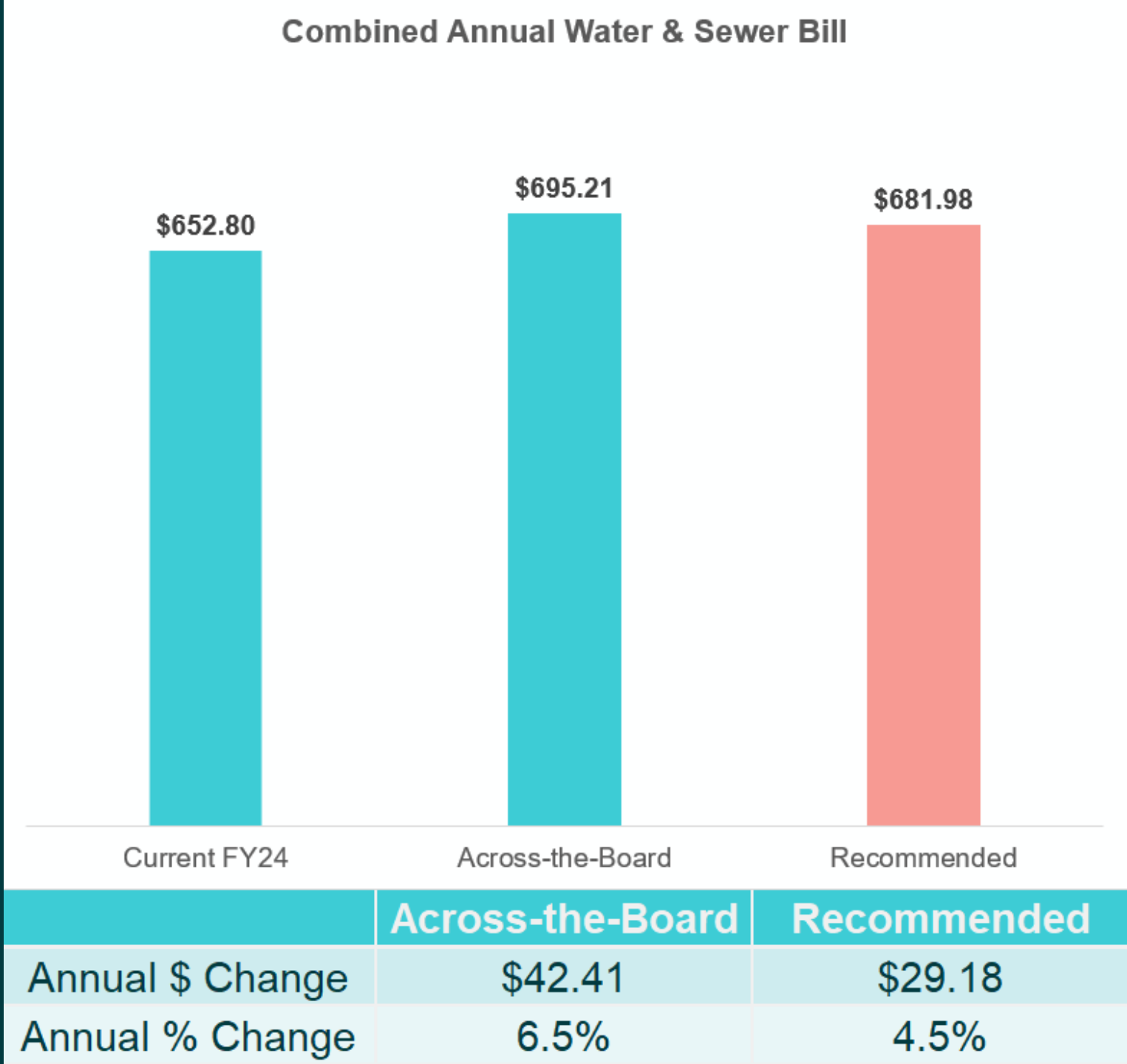
Monthly Rates	Current	Across-the-Board	\$ Change	% Change	Recommended	\$ Change	% Change
<u>Volumetric Charges (per Ccf)</u>							
0-30 Ccf	\$6.91	\$7.19	\$0.28	4.0%	\$7.20	\$0.29	4.2%
> 30 Ccf	\$7.92	\$8.24	\$0.32	4.0%	\$8.26	\$0.34	4.2%
Lifeline Rate	\$4.84	\$5.03	\$0.19	4.0%	\$4.96	\$0.12	2.5%
Irrigation Rate	\$8.32	\$8.65	\$0.33	4.0%	\$8.68	\$0.36	4.4%
<u>Minimum Charges</u>							
5/8"	\$6.62	\$6.88	\$0.26	4.0%	\$6.30	(\$0.32)	-4.9%
3/4"	\$8.28	\$8.61	\$0.33	4.0%	\$9.44	\$1.16	14.1%
1"	\$11.83	\$12.30	\$0.47	4.0%	\$15.74	\$3.91	33.0%
1.5"	\$20.91	\$21.75	\$0.84	4.0%	\$31.48	\$10.57	50.5%
2"	\$31.31	\$32.56	\$1.25	4.0%	\$50.36	\$19.05	60.9%
3"	\$54.77	\$56.96	\$2.19	4.0%	\$94.43	\$39.66	72.4%
4"	\$90.97	\$94.61	\$3.64	4.0%	\$157.39	\$66.42	73.0%
6"	\$176.45	\$183.51	\$7.06	4.0%	\$314.78	\$138.33	78.4%
8"	\$279.26	\$290.43	\$11.17	4.0%	\$503.65	\$224.39	80.4%
Lifeline Rate	\$4.63	\$4.82	\$0.19	4.0%	\$5.23	\$0.60	13.0%

Sewer Rate Recommendation– FY 2025

Monthly Rates	Current	Across-the-Board	\$ Change	% Change	Recommended	\$ Change	% Change
<u>Volumetric Charges (per Ccf)</u>							
All Ccf	\$13.98	\$15.10	\$1.12	8.0%	\$15.11	\$1.13	8.1%
Lifeline Rate	\$9.79	\$10.57	\$0.78	8.0%	\$10.51	\$0.72	7.3%
<u>Minimum Charges</u>							
5/8"	\$6.00	\$6.48	\$0.48	8.0%	\$5.92	(\$0.08)	-1.4%
3/4"	\$7.71	\$8.33	\$0.62	8.0%	\$8.88	\$1.17	15.1%
1"	\$11.05	\$11.93	\$0.88	8.0%	\$14.80	\$3.75	33.9%
1.5"	\$19.66	\$21.23	\$1.57	8.0%	\$29.59	\$9.93	50.5%
2"	\$29.32	\$31.67	\$2.35	8.0%	\$47.35	\$18.03	61.5%
3"	\$50.70	\$54.76	\$4.06	8.0%	\$88.78	\$38.08	75.1%
4"	\$85.02	\$91.82	\$6.80	8.0%	\$147.96	\$62.94	74.0%
6"	\$163.79	\$176.89	\$13.10	8.0%	\$295.92	\$132.13	80.7%
8"	\$258.64	\$279.33	\$20.69	8.0%	\$473.47	\$214.83	83.1%
Lifeline Rate	\$4.20	\$4.54	\$0.34	8.0%	\$4.92	\$0.72	17.1%

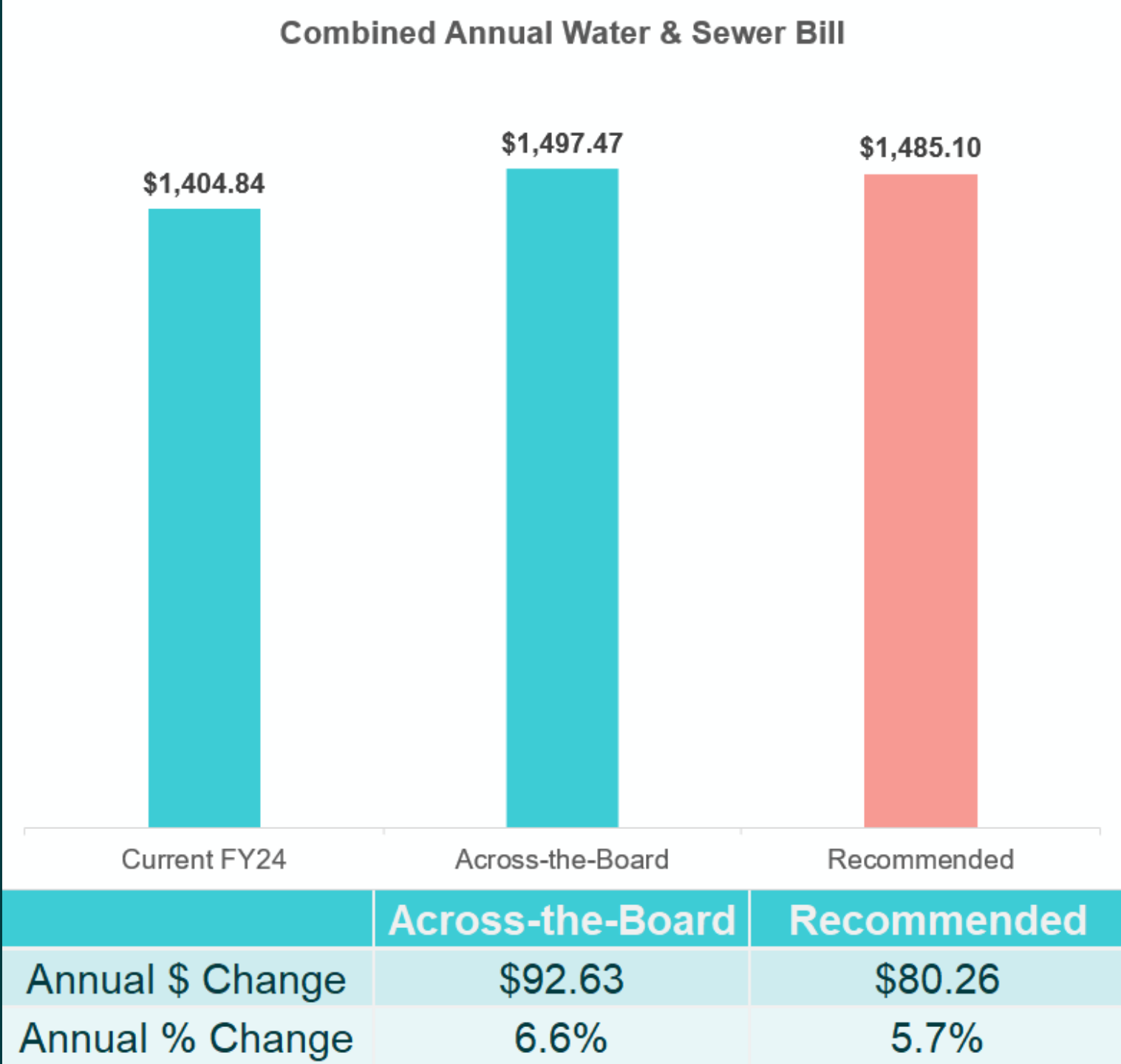
Low-Volume Household

– 2 Ccf/Month; 5/8” Meter



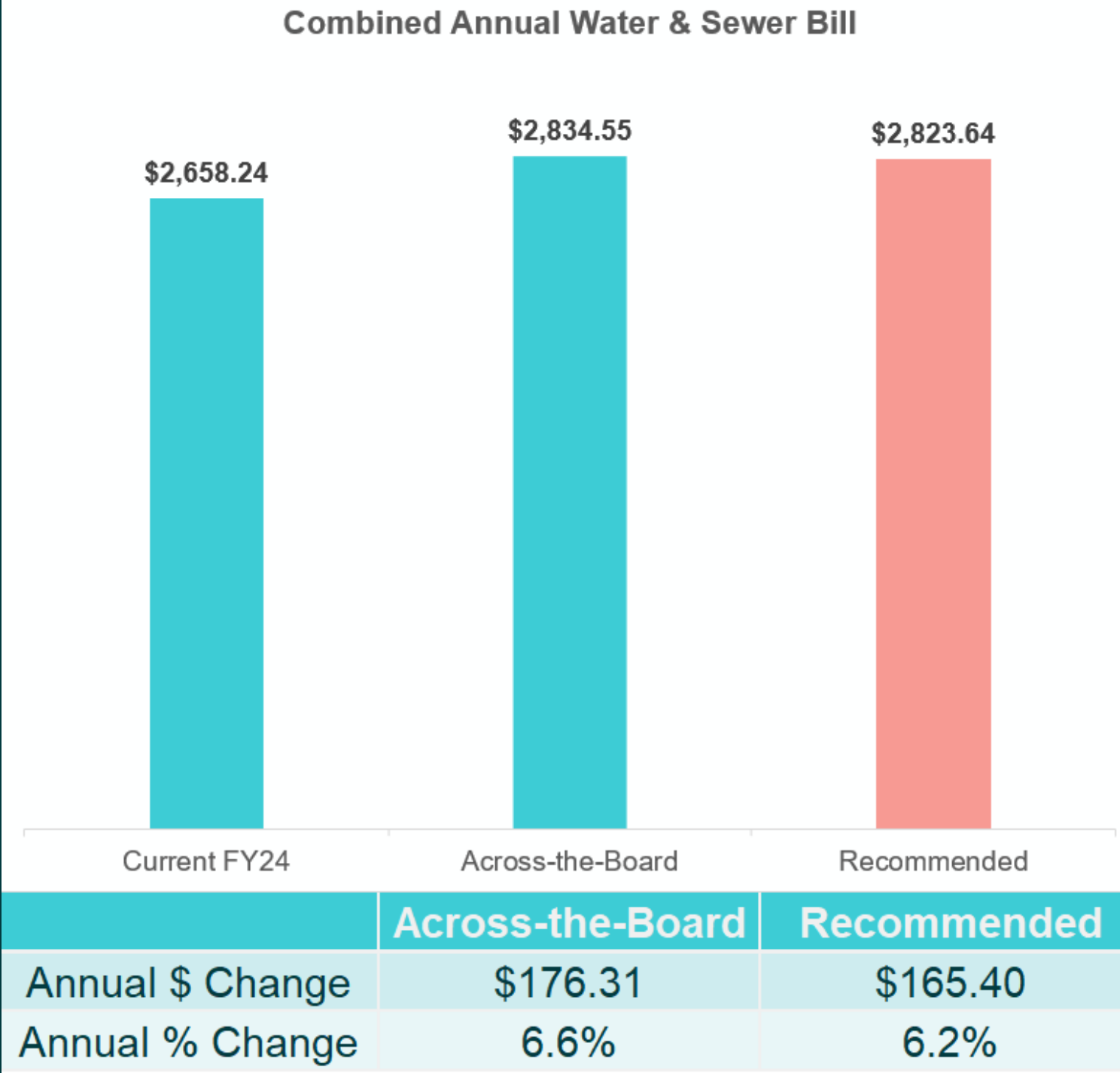
Typical-Volume Household

– 5 Ccf/Month; 5/8” Meter



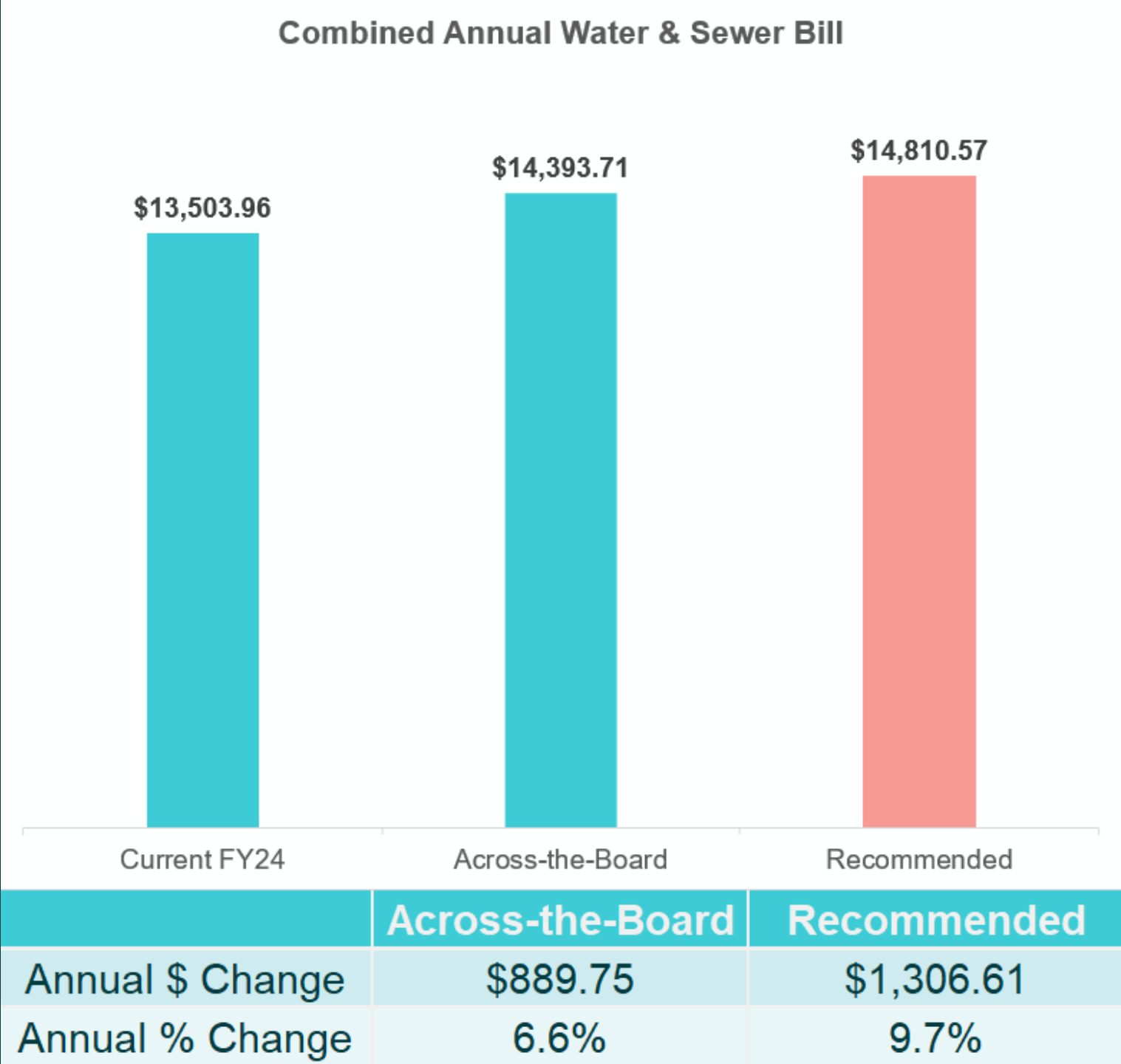
High-Volume Household

– 10 Ccf/Month; 5/8” Meter



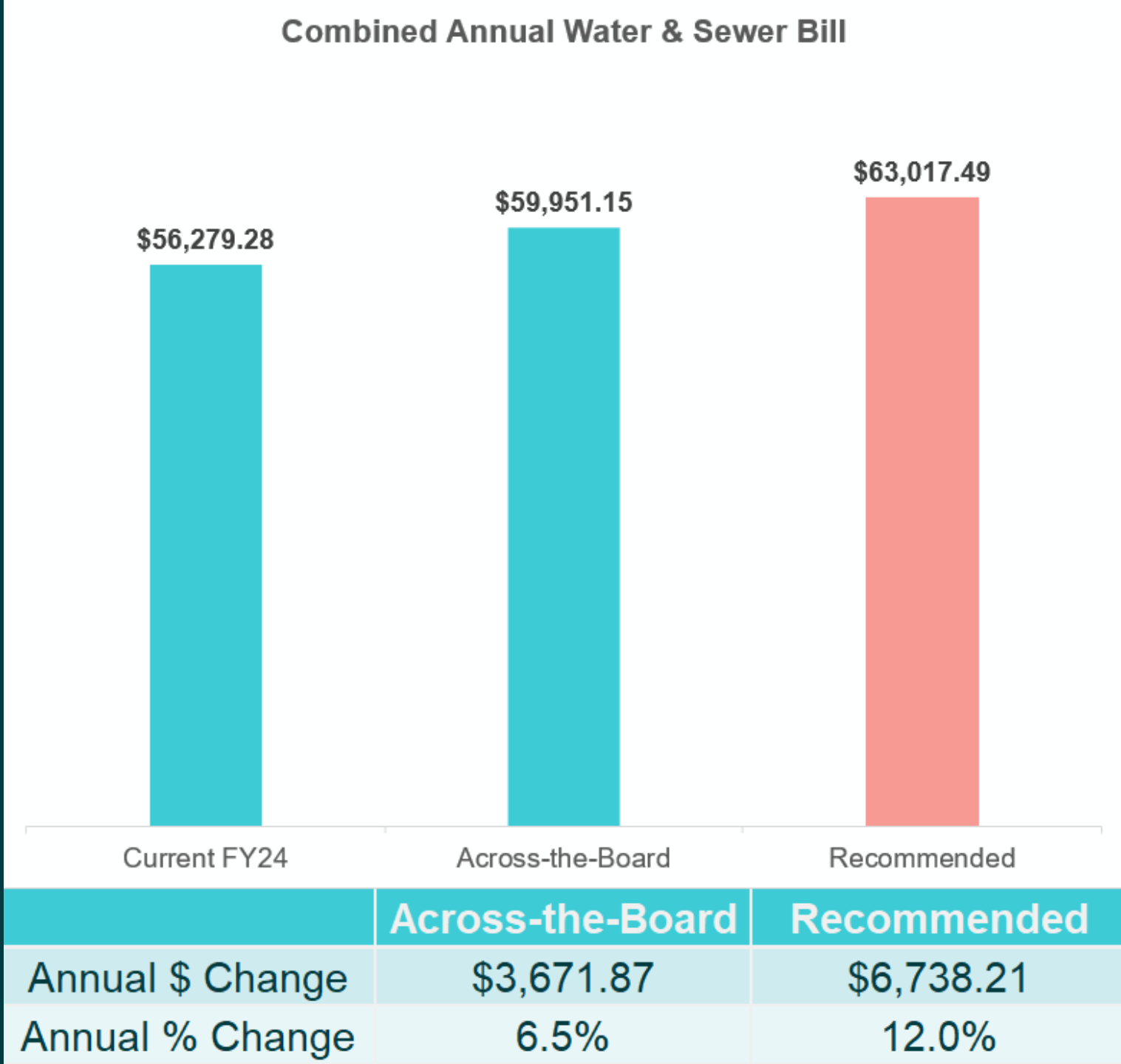
Typical-Volume Commercial

– 50 Ccf/Month; 2” Meter



High-Volume Commercial

– 200 Ccf/Month; 6” Meter





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Thank you!

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