

City of Cambridge

MASSACHUSETTS

In City Council March 16 1992

C. Russell / Agenda #18 / Approval of Water Rates for water consumption and Sewer Use FY Period 4-1-92 to 3-31-93

	YEA	NAY	ABSENT	PRESENT	
Mr. Ed Cyr	✓				
Mr. Francis H. Duehay	✓				
Mr. Jonathan S. Myers	✓				
Mrs. Sheila T. Russell	✓				
Mr. Walter J. Sullivan	✓				
Mr. Timothy J. Toomey, Jr.	✓				
Mr. William H. Walsh	✓				
Ms. Alice K. Wolf	✓				
Mayor Kenneth E. Reeves	✓				

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*C. Cyr
ms
HK*



City of Cambridge

Agenda #19

IN CITY COUNCIL

March 16, 1992

ORDERED: That the following rates for water and sewer use in the City of Cambridge be in effect for the period beginning April 1, 1992 and ending March 31, 1993.

	<u>Annual Consumption</u>	<u>Water Rate (Per Ccf)*</u>	<u>Sewer Rate (Per Ccf)*</u>
Block 1	0-40 Ccf	\$1.37	\$2.81
Block 2	41-400 Ccf	\$1.46	\$2.99
Block 3	401-2,000 Ccf	\$1.56	\$3.21
Block 4	2,000-10,000 Ccf	\$1.67	\$3.46
Block 5	Over 10,000	\$1.78	\$3.67

*Ccf or 100 Cubic Feet, is the unit the city uses to measure water consumption.

Be it further ordered that the Senior Citizen Discount Program as established in FY91 be increased. This program, gives either a 10 percent or 25 percent discount on water/sewer bills, depending upon certain qualifications. Any resident who owns and occupies his or her home and who is 65 or older on July 1 qualifies for the 10 percent discount. This discount may not exceed \$60 for the fiscal year. To qualify for the 25 percent discount, a homeowner must be 70 years of age or older and must have been granted the Clause 41C Elderly Real Estate Exemption, which is based on demonstrated financial need. This discount may not exceed \$150 for the fiscal year.

In City Council March 16, 1992.

Adopted by a ye and nay vote:-

Yeas 9; Nays 0; Absent 0.

Attest:- Joseph E. Connarton, City Clerk.

A true copy;

ATTEST:-

Joseph E. Connarton,
City Clerk



City of Cambridge

Agenda #19

IN CITY COUNCIL

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Yeas 9; Nays 0; Absent 0.

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A true copy;

Joseph E. Connarton

ATTEST:-

Joseph E. Connarton,
City Clerk



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300
FAX 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

March 16, 1992

To the Honorable, the City Council,

RECOMMENDATION

That the City Council approve the following block rates for water consumption and sewer use for the period beginning April 1, 1992 and ending March 31, 1993.

	<u>Annual Consumption</u>	<u>Water Rate (Per CcF) *</u>	<u>Sewer Rate (Per CcF) *</u>
Block 1	0-40 CcF	\$1.37	\$2.81
Block 2	41-400 CcF	\$1.46	\$2.99
Block 3	401-2,000 CcF	\$1.56	\$3.21
Block 4	2,001-10,000 CcF	\$1.67	\$3.46
Block 5	Over 10,000 CcF	\$1.78	\$3.67

*CcF is an abbreviation for "100 cubic feet," the unit used by the City to measure water consumption.

SUMMARY

All operating and capital costs for water and sewer treatment, storage and distribution are funded through the water and sewer rates. During the past three fiscal years, rates have increased significantly due primarily to increases in the MWRA assessment for sewer use and the debt service costs for the construction of a permanent cover over the City's treated water storage facility at Payson Park. For FY 1993, the water rates will increase by 7.5%. This increase, which is lower than in previous years, is due to a slight increase in operating costs and an increase in pay-as-we-go capital expenditures. Sewer rates will increase by 37.8%. This increase is mostly a result of 49% increase in the MWRA assessment for FY 93. This follows increases of 18% in FY 1991 and 38% in FY 1992.

The tables below show the projected budgets for Water and Sewer for the upcoming fiscal year.

TABLE I

Water FY 1993 Budget Projection

	<u>Amount</u>	<u>Percent</u> <u>Inc/Dec</u>
Operating	\$4,800,000	3%
Pay-As-We-Go Capital	1,500,000	36%
Debt Service	2,113,800	.5%
Public Works	147,000	52%
Finance	85,000	
Conservation	<u>3,050</u>	
TOTAL	\$,648,850	7.5%

Sewer FY 1993 Budget Projection

	<u>Amount</u>	<u>Percent</u> <u>Inc/Dec</u>
Operating	\$ 1,030,000	-1%
Finance	85,000	
Debt	1,000,000	-6%
Capital	545,000	11%
MWRA	<u>14,105,284</u>	49%
TOTAL	16,765,284	37.8%

IMPACT ON USERS

The Finance Department estimates the average single family residence will see an \$85 increase in its annual water/sewer bill upon passage of the proposed rate structure. The table below compares the current average annual water/sewer bills for various size residences to the projected FY 1993 average annual bill. It should be noted that while the rates become effective on April 1, because the City bills quarterly, in arrears, the new rates will not appear on customers' bills until July.

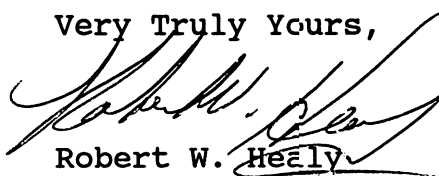
TABLE II

<u>Residence</u>	<u>FY92 Average Annual Bill</u>	<u>FY93 Average Annual Bill</u>	<u>Increase</u>
Single Family	\$ 340	\$ 425	\$ 85
Two Family	\$ 455	\$ 569	\$ 114
Three Family	\$ 672	\$ 840	\$ 168
Four-Eight Family	\$1,094	\$1,368	\$ 274

SENIOR CITIZEN DISCOUNT PROGRAM

The City continues to offer the Senior Citizen Discount Program for water and sewer use. This program, which was implemented in FY 1991, gives either a 10 percent or 25 percent discount on water/sewer bills, depending upon certain qualifications. Any resident who owns and occupies his or her home and who is 65 or older on July 1 qualifies for the 10 percent discount. This discount may not exceed \$60 for the fiscal year. To qualify for the 25 percent discount, a homeowner must be 70 years of age or older and must have been granted the Clause 41C Elderly Real Estate Exemption, which is based on demonstrated financial need. This discount may not exceed \$150 for the fiscal year. During Fy 1992, more than 2,000 residents took advantage of the discount program, which will cost the City approximately \$70,000.

Very Truly Yours,



Robert W. Healy
City Manager

Agenda # 19

F-104

Block rates for water consumption and
sewer use for the period beginning
April 1, 1992 and ending March 31, 1993.

In City Council,

March 16, 1992

Order adopted
9-0-0.