

**TOWN OF WELLESLEY  
DEPARTMENT OF PUBLIC WORKS**

**WATER, SEWER, AND  
STORMWATER  
RATE PROPOSALS**

**PUBLIC HEARING  
MAY 12, 2025**

# FY 2026 Recommendation

- Water Rates (Residential & Commercial)
  - 4% on all consumption-based charges
  - No increase to Customer Charge
  - No increase for special readings
  - No increase for service Turn-On/Off
  - Estimated annual increase of \$25 (average residential)
- Sewer Rates (Residential & Commercial)
  - 6% on all consumption-based charges
  - No increase to Customer Charge
  - Estimated annual increase of \$77 (average residential)
- Stormwater Rates – No Change
  - \$225/ Equivalent Residential Unit (ERU)

# Objectives

- Ensure Fiscal Health of the Enterprise Funds
  - Sufficient to meet all regulatory requirements
  - Annual Operating & Maintenance and Capital Costs
  - Long Term Capital Investments
  - Capital investment plan includes debt financing
  - Assumes 100% spending of existing operating and capital expenses
  - Prudent reserves for cash flow and project contingencies
    - Season Revenue Fluctuations (Water & Sewer only)
- Encourage Voluntary and Required Conservation
  - Especially during peak demand
  - Water Management Act considerations
  - Encourage Use of Stormwater Credits

# Key Rate Setting Assumptions

- All Rates
  - Fully burdened
  - Proactive, Predictable, and Planned
- Water Fund
  - Affordable water for lowest volume users
  - Conservation Rate Model
  - Non-essential water use subsidizes essential water use
  - MWRA costs escalate 3.0% per year
- Sewer Rates
  - Affordable sewer for lowest volume users
  - MWRA costs escalate 3.2% per year
- Stormwater
  - Equitable distribution of system costs
  - 6.0% of revenue contingencies for Stormwater Credits

# Primary Financial Drivers

## Water

- Increased FY26 MWRA water assessments (13.5%).
- Higher water revenue in FY25 than conservative estimate (5%).
- Current and future capital investments (Service Line Identification, PFAS filter media, additional PFAS treatment; MWRA 2<sup>nd</sup> Connection).

## Sewer

- Increased FY26 MWRA sewer assessments (4.5%).
- Higher sewer revenue in FY25 than conservative estimate (2%).
  - Sewer based on indoor meter, 40% of users do not have an outside meter.
- Increased capital for sewer rehabilitation programs eligible for MWRA's grant and loan funds.

## • Stormwater

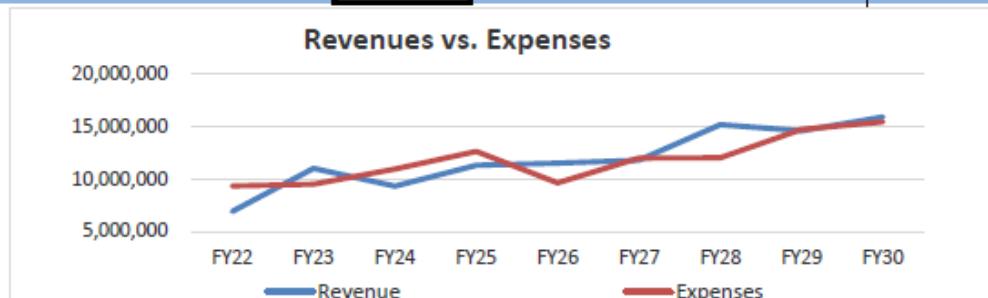
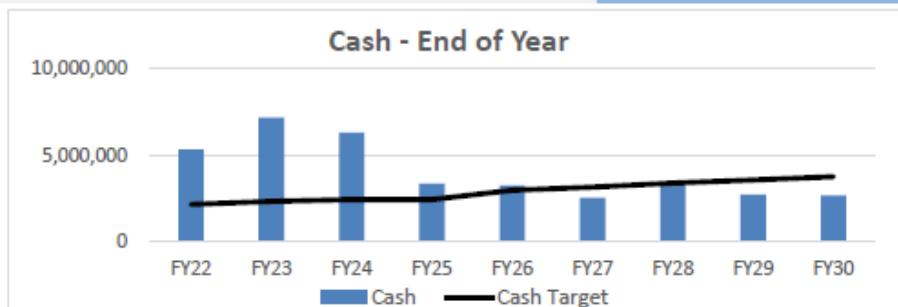
- MS4 Permit Requirements (cleaning 2x catch basins annually)
- Fewer credit applications than planned.

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**WATER & SEWER  
RATE PROPOSALS**

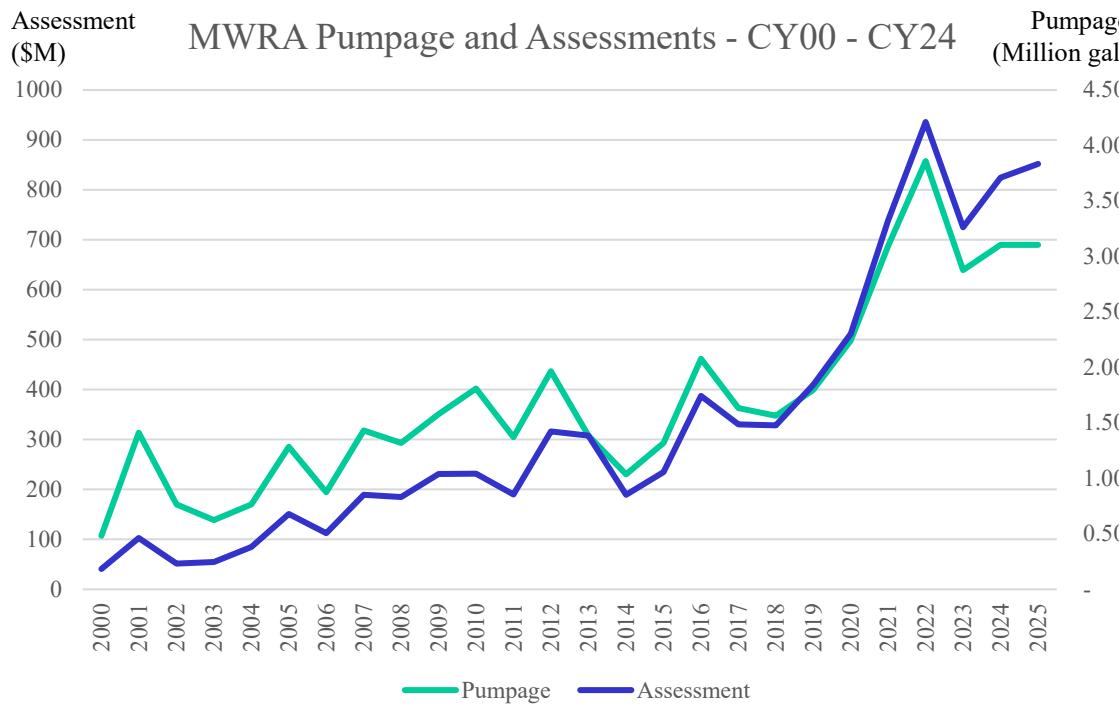
# Water Financial Forecast

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
CCF Billed	1,191,140	1,296,231	1,100,869	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000	1,089,000
Water Usage Rate Change Plan	0%	50%	4%	4%	4%	20%	15%	10%	10%
Debt Service to Revenue Ratio	7%	5%	5%	4%	3%	5%	4%	3%	3%
Average User Annual Bill	\$ 430	\$ 625	\$ 649	\$ 673	\$ 700	\$ 840	\$ 966	\$ 1,063	\$ 1,169
Net Cash Flow (\$ M)	(1.88)	1.83	(0.87)	(2.93)	(0.11)	(0.72)	0.84	(0.65)	(0.05)
Total Cash End Of Year (\$ M)	5.34	7.17	6.29	3.36	3.25	2.54	3.38	2.72	2.68

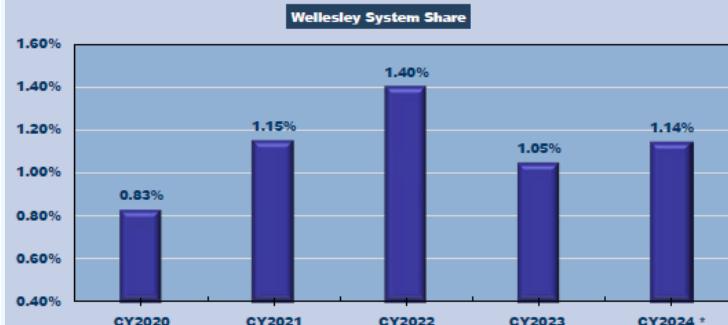
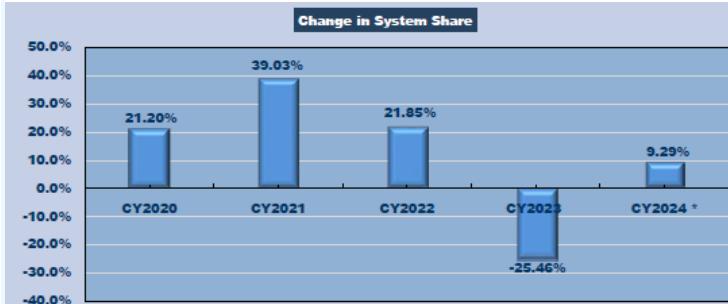


# Water Financial Drivers – MWRA

- Wellesley's MWRA water use up 11%
- Wellesley's system share up 9%
- MWRA = 65% of water supplied in CY24
- FY26 MWRA costs up \$440K from FY25

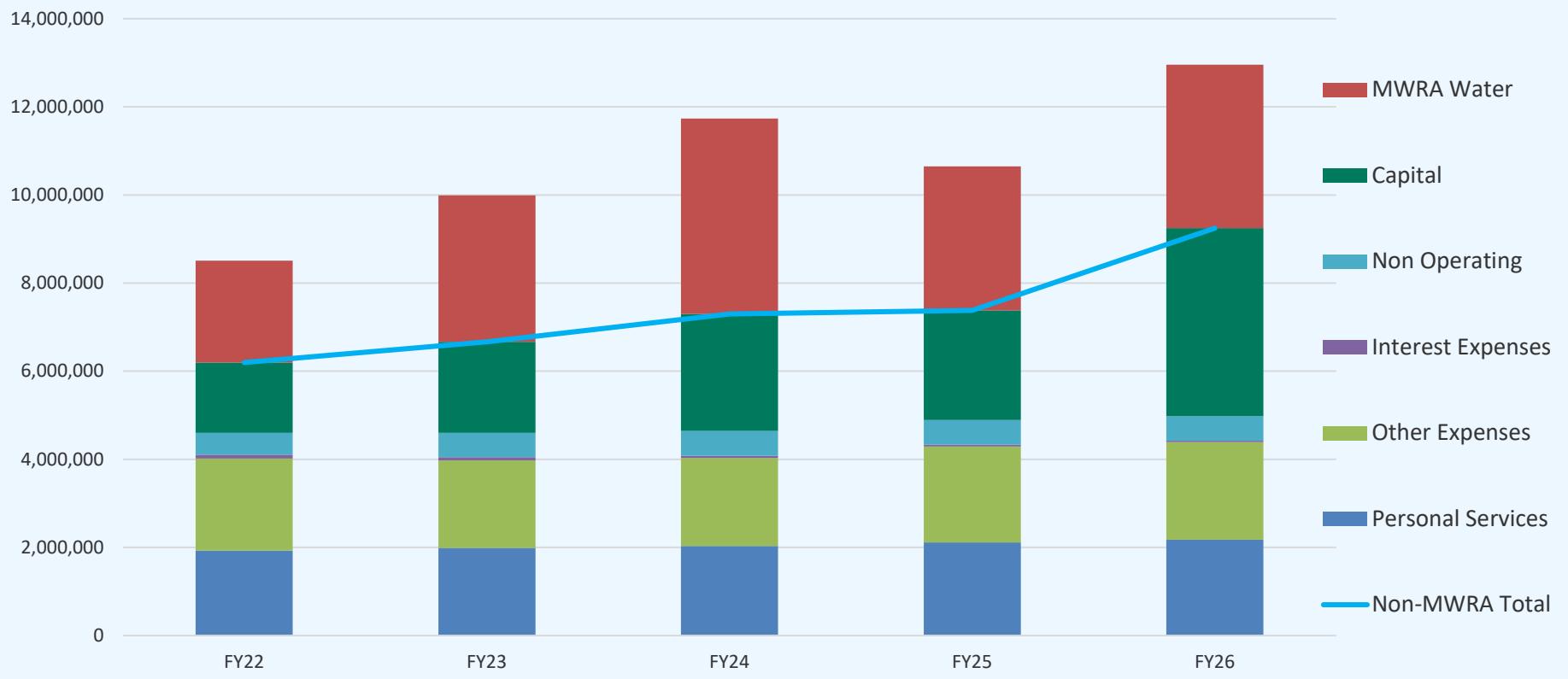


Monthly Source of Supply - MWRA  
FY19\* vs FY24

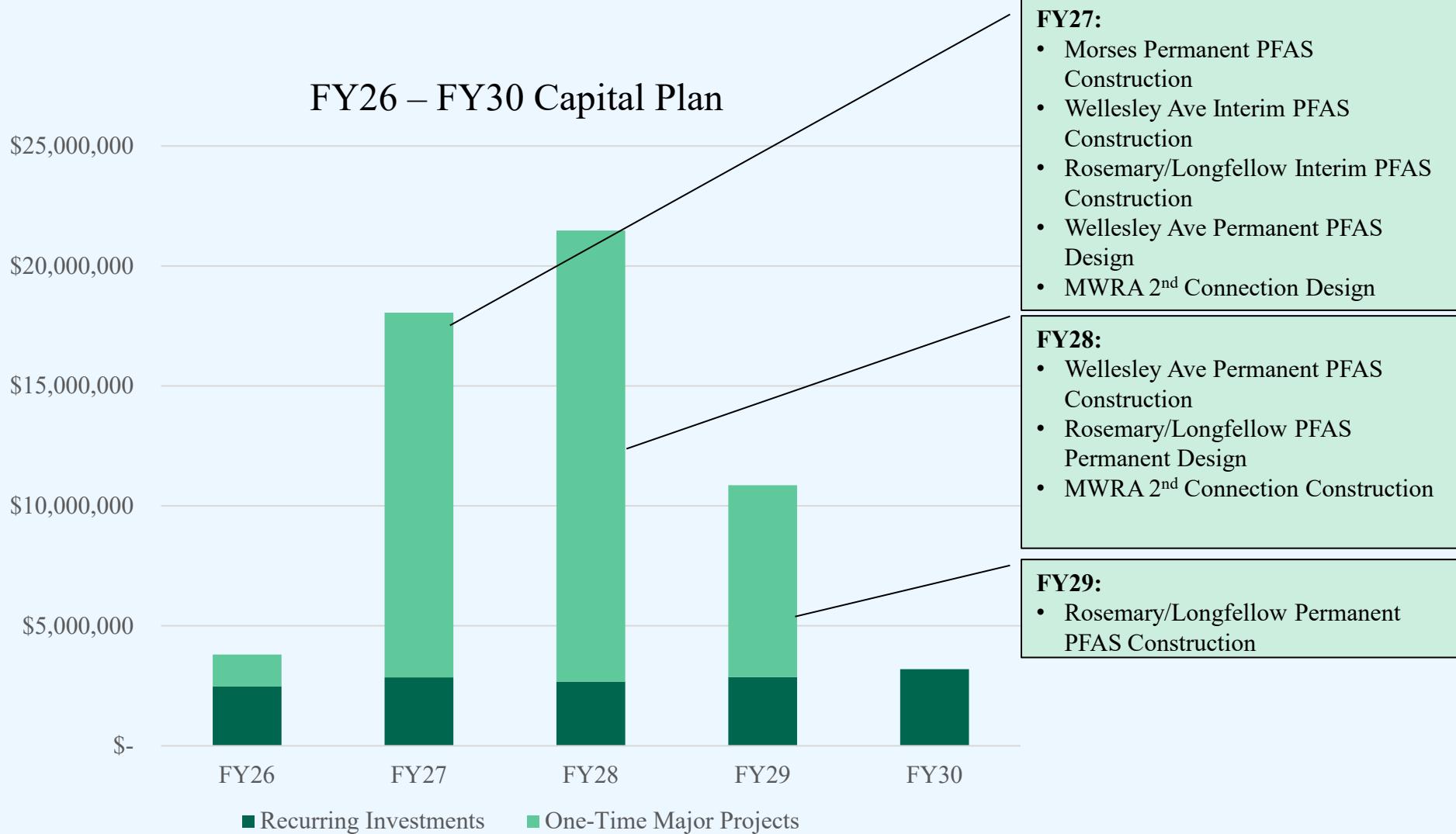


# Budget Trend - Water

Water Enterprise Fund Budget History



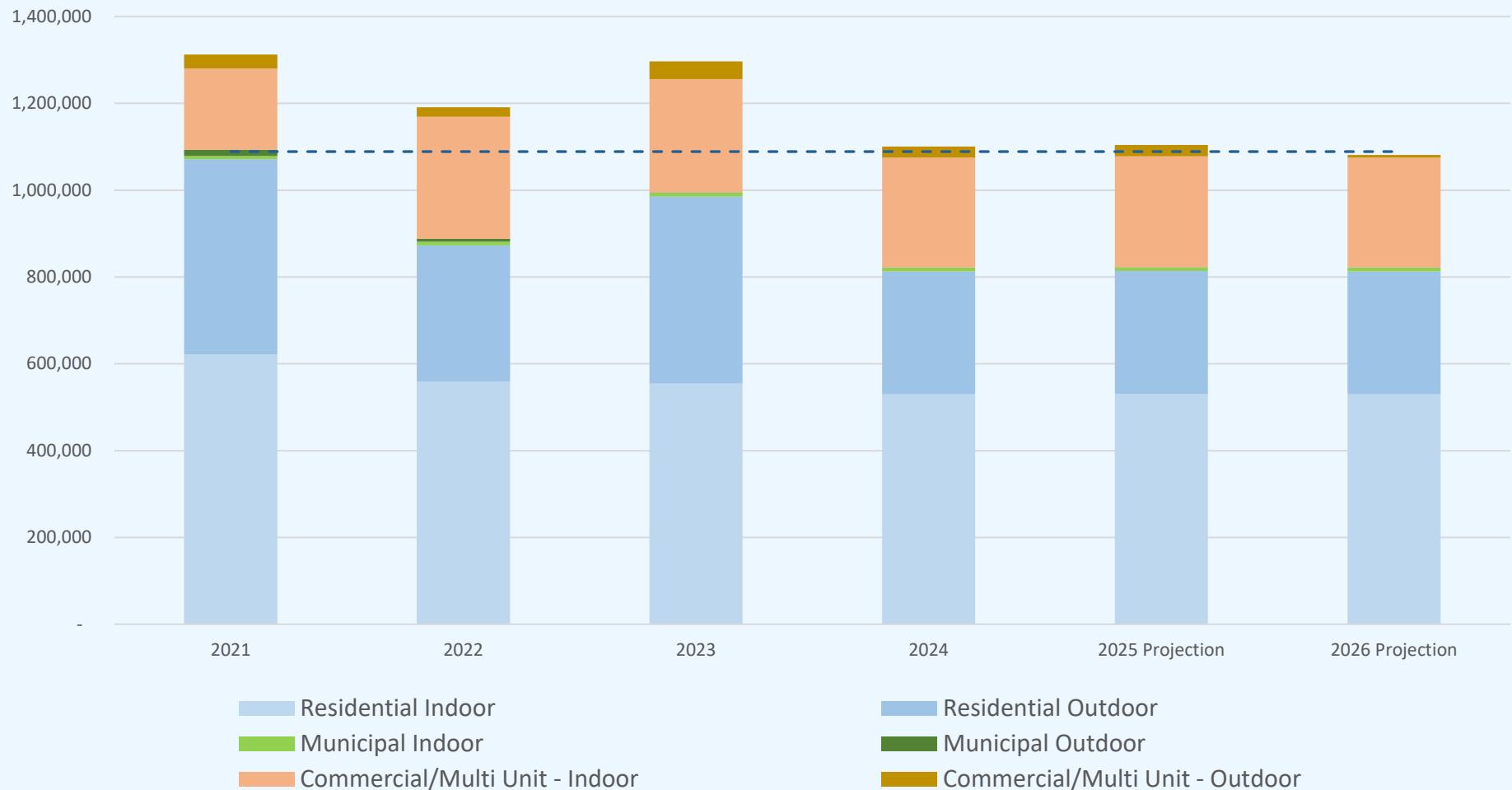
# Water Five Year Capital Plan



# Water Sales History by Customer Type

1 CCF = 748 Gallons

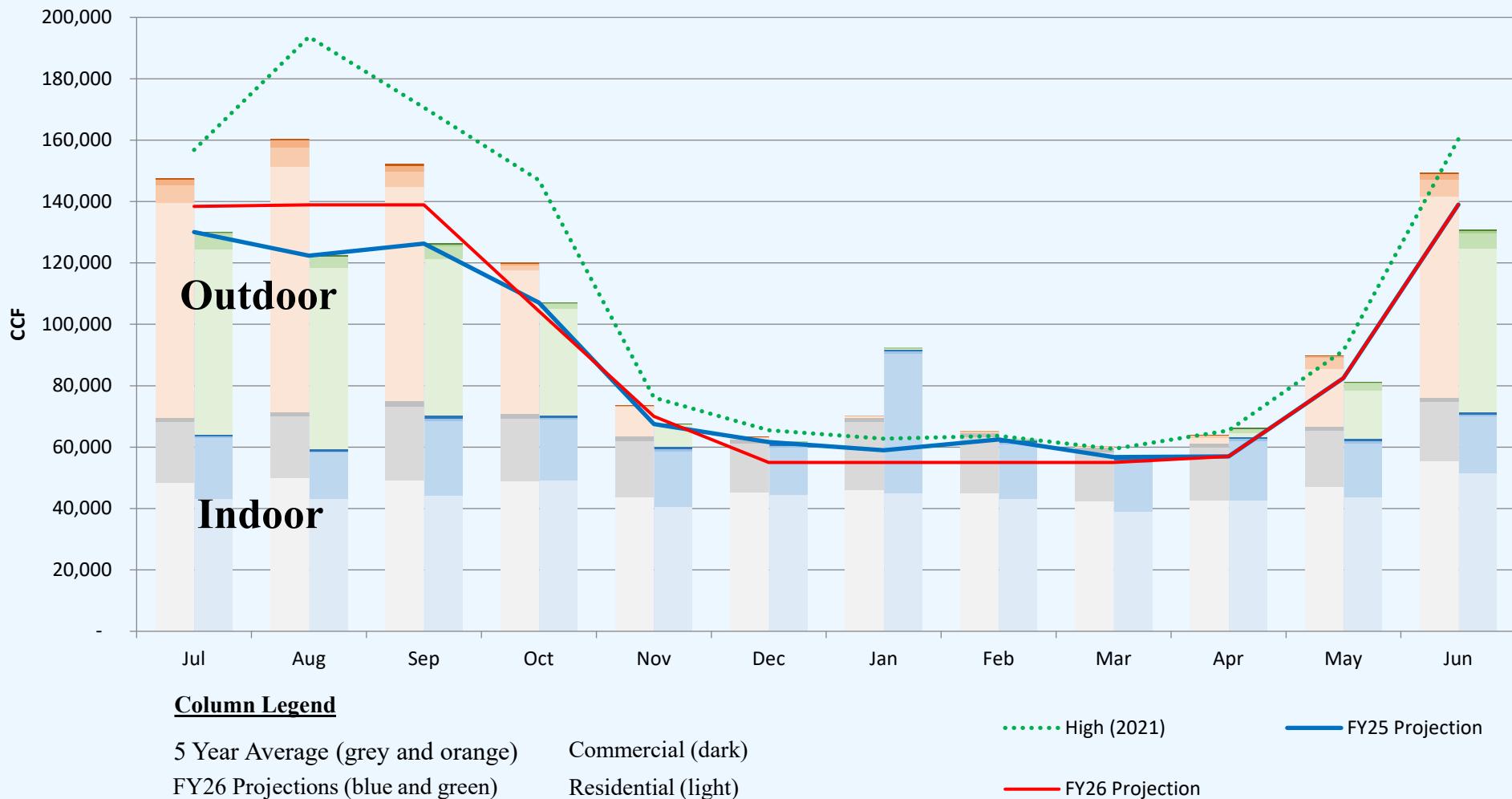
Billed Usage (CCF)



# Water Sales by Month (CCF)

## Monthly Water Sales - 5 Year Average and Projections (CCF)

1 CCF = 748 Gallons



# FY24 Water Sales by User Category

FY24 Water Usage	Meter		CCF		Revenue	
	Count	%	Sum	%	Sum	%
RESIDENTIAL INDOOR	7881	60%	537,939	49%	\$3,242,906	36%
RESIDENTIAL OUTSIDE	4705	36%	283,874	26%	\$3,341,609	37%
COMMERCIAL	525	4%	245,185	22%	\$1,908,327	21%
COMMERCIAL OUTSIDE	73	1%	23,137	2%	\$315,601	4%
MUNICIPAL	33	0%	8,156	1%	\$70,921	1%
MUNICIPAL OUTSIDE	17	0%	2,578	0%	\$26,488	0%
OTHER WATER CHARGES					\$6,000	0%
HYDRANT RENTALS					\$2,100	0%
PENALTIES/INT-UTILITY CHARGES					\$42,198	0%
PENALTIES/INT - LIENS					\$2,888	0%
<b>Total</b>	<b>13,234</b>		<b>1,100,869</b>		<b>\$8,959,038</b>	

# Conservation Rate Mechanisms

Currently in use:

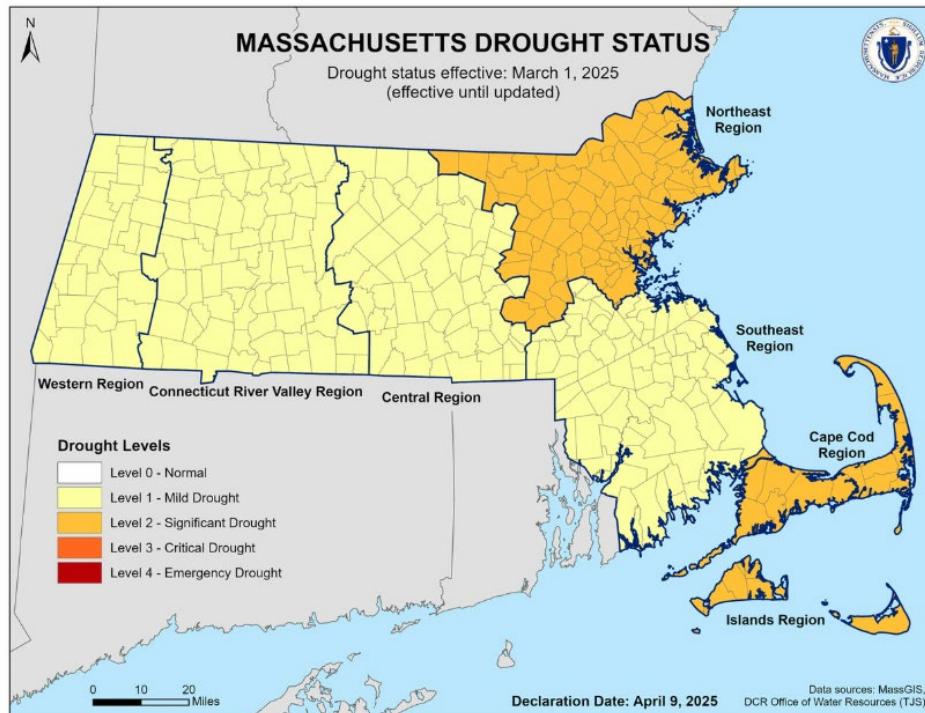
- Monthly billing
- Customer charge
- Readiness-to-serve charge (pre-FY82)
- Indoor and Outdoor rates (FY82)
- Seasonal rates – (FY04)
- Increasing Block structure (FY04-outdoor, FY11-indoor)

# Conservation Rate Mechanisms

## Ongoing Considerations:

- Further increases in water rates for irrigation meters (during peak season or year-round). This would impact essential and non-essential outdoor water for both residential and commercial users.
- Further increases for indoor water rates for the highest tiers (usage above 36 ccf per month) during peak season or year-round. This could impact essential and non-essential indoor water for both residential users and commercial users.
- Structural changes to our tiers by increasing the number of blocks and/or adjusting the block ranges to further encourage conservation, lower the rate for lower usage, and raise the rate for higher usage.
- Add new ‘Drought Rates’ or surcharges to further encourage conservation during MassDEP drought declarations.

# Watering Restrictions – Drought History



State Drought Condition (by Region)		Nonessential Outdoor Water-Use Restrictions
Level 1 (Mild Drought)	■	1 day per week watering, after 5 p.m. or before 9 a.m. (to minimize evaporative losses)
Level 2 (Significant Drought)	■	Limit outdoor watering to hand-held hoses or watering cans, to be used only after 5 p.m. or before 9 a.m.
Level 3 (Critical Drought)	■	Ban on all nonessential outdoor water use
Level 4 (Emergency Drought)	■	Ban on all nonessential outdoor water use

## Drought Level by Fiscal Year & Month

	J	A	S	O	N	D	J	F	M	A	M	J	Restricted Months
2003	2	2	2	1	0	0	0	0	0	0	0	0	4
2004	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	0	0	1	1	1	1	1	0	0	0	0	0	5
2009	0	0	0	0	0	0	0	0	0	0	0	0	0
2010	0	0	0	0	0	0	0	0	0	0	0	0	0
2011	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	0	0	1	1	1	1	0	0	0	0	0	0	3
2016	0	0	0	0	0	0	0	0	0	0	0	1	1
2017	2	3	3	3	3	3	3	2	1	0	0	0	9
2018	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	0	0	0	0	0	0	0	0	0	0	0	0	0
2020	0	0	0	0	0	0	0	0	0	0	0	0	0
2021	2	2	3	2	1	0	0	0	2	0	1	0	7
2022	0	0	0	0	0	0	0	0	1	2	2	2	3
2023	3	2	1	0	0	0	0	0	0	0	0	0	3
2024	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	2	3	0	1	2	2	1	0	0	6

# Water Rate History

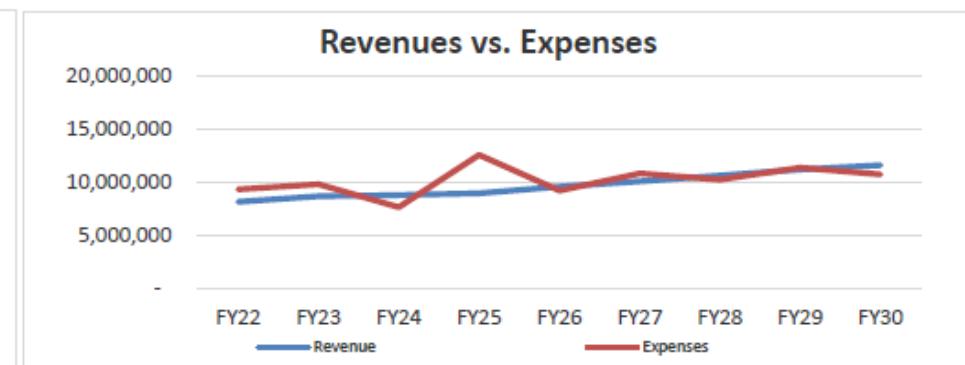
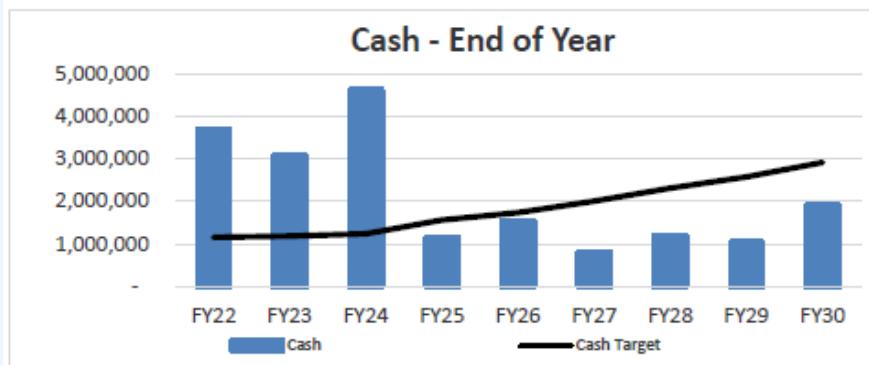
- FY84 – created customer charge \$3.00; 1 rate for peak and non peak
- FY90 – increased customer charge to \$3.45
- FY95 – added outdoor summer rate
- FY00 – increased customer charge to \$6.51
- FY01 – started monthly billing; reduced customer charge to \$3.25
- FY04 – reduced customer charge to \$1.73; added additional tiers and increases for largest users to promote conservation
- FY06-12 – first rate increase since ‘00; then, various rate and customer charge increases
- FY11 – split first tier from 0-12 to 0-5 and 6-12
- FY17 – increased customer charge to help fund meter replacement
- FY20 – shifted \$3.50 water customer charge to sewer
- FY23 – 50% increase on all consumption-based rates; first rate increase since FY12
- FY24 – 4% increase on all consumption-based rates
- FY25 – 4% increase on all consumption-based rates

# Water Fund Rate Recommendation and Forecast

- FY26 Water Rates (Residential & Commercial)
  - 4% on all consumption-based charges
  - No increase to Customer Charge
  - No increase for special readings
  - No increase for service Turn-On/Off
  - Estimated annual increase of \$25 (average residential)
- FY27 – 20%
- FY28 – 15%
- FY29 – 10%
- FY30 – 10%

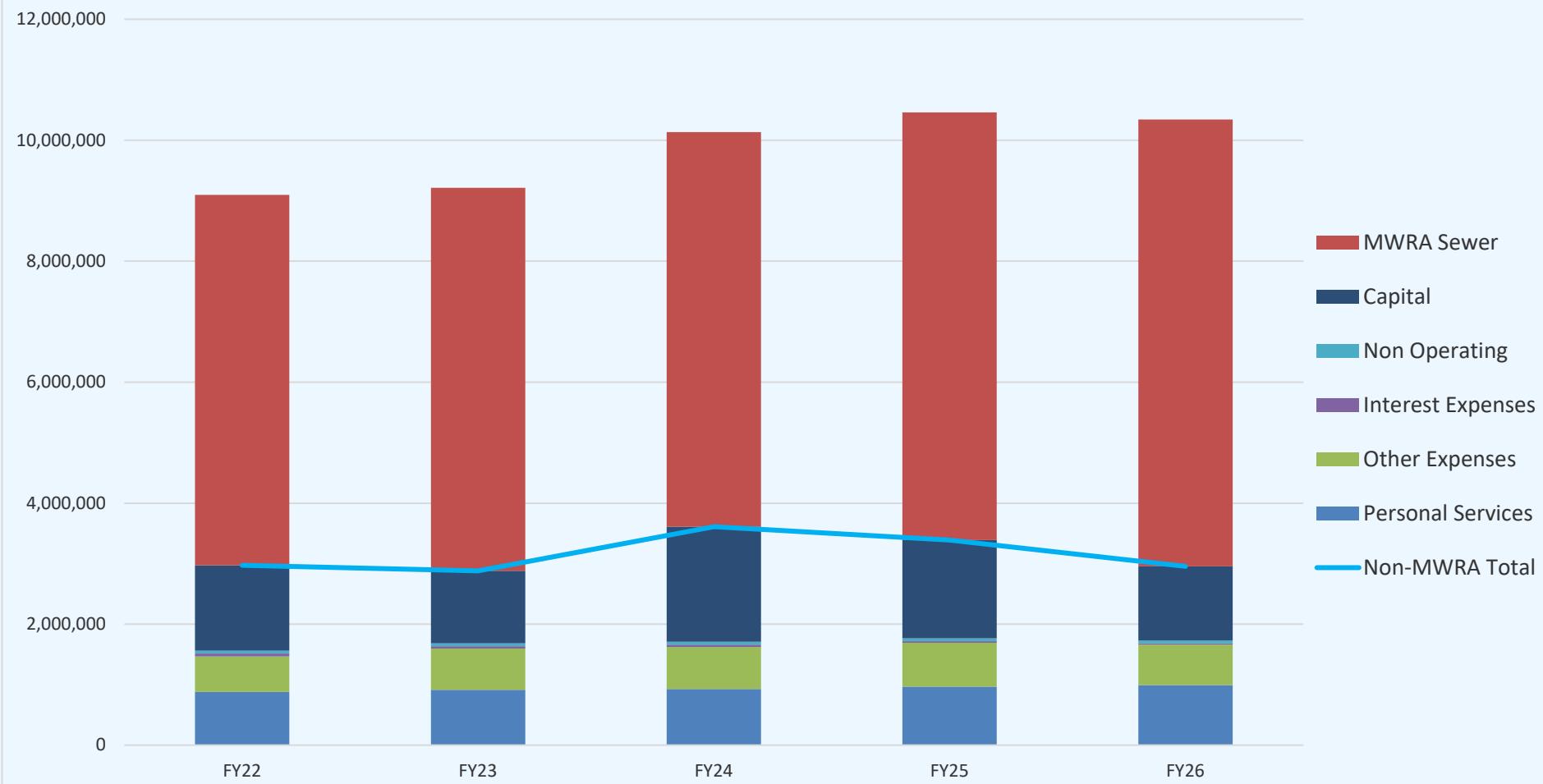
# Sewer Financial Forecast

	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
CCF Billed	748,276	773,101	752,343	752,343	752,343	752,343	752,343	752,343	752,343
Sewer Usage Rate Change Plan	0%	0%	4%	4%	6%	6%	6%	6%	4%
Debt Service to Revenue Ratio	3%	3%	3%	4%	3%	2%	2%	1%	1%
Average User Annual Bill	\$ 1,188	\$ 1,232	\$ 1,279	\$ 1,328	\$ 1,408	\$ 1,492	\$ 1,582	\$ 1,677	\$ 1,744
Net Cash Flow (\$ M)	(0.70)	(0.61)	1.54	(3.60)	0.38	(0.73)	0.39	(0.16)	0.87
Total Cash End Of Year (\$ M)	3.68	3.08	4.61	1.15	1.53	0.80	1.19	1.03	1.91



# Budget Trend - Sewer

Sewer Enterprise Fund Budget History



# Sewer Fund

# Rate Recommendation and Forecast

- FY26 Sewer Rates (Residential & Commercial)
  - 6% on all consumption-based charges
  - No increase to Customer Charge
  - Estimated annual increase of \$77 (average residential)
- FY27 – 6%
- FY28 – 6%
- FY29 – 6%
- FY30 – 4%

# Annual Impact of Recommendation

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

50 CCF (Low User)					
	PRIOR	NEW	\$ Change	% Change	
Water	\$ 283	\$ 293	\$ 9.72	3.4%	
Sewer	\$ 589	\$ 620	\$ 31.71	5.4%	
Combined	\$ 871	\$ 913	\$ 41.43	4.8%	

120 CCF (Average User)					
	PRIOR	NEW	\$ Change	% Change	
Water	\$ 674	\$ 699	\$ 25.34	3.8%	
Sewer	\$ 1,328	\$ 1,406	\$ 77.10	5.8%	
Combined	\$ 2,002	\$ 2,104	\$ 102.45	5.1%	

240 CCF (High User)					
	PRIOR	NEW	\$ Change	% Change	
Water (2" meter)	\$ 2,784	\$ 2,894	\$ 109.76	3.9%	
Sewer	\$ 2,597	\$ 2,749	\$ 152.21	5.9%	
Combined	\$ 5,381	\$ 5,643	\$ 261.96	4.9%	

1,000 CCF (Very High User)					
	PRIOR	NEW	\$ Change	% Change	
Water (6" meter)	\$ 10,439	\$ 10,855	\$ 415.97	4.0%	
Sewer	\$ 10,630	\$ 11,264	\$ 634.20	6.0%	
Combined	\$ 21,069	\$ 22,119	\$ 1,050.17	5.0%	

# Benchmarking

## FY25 Average Rates Including Customer Charges

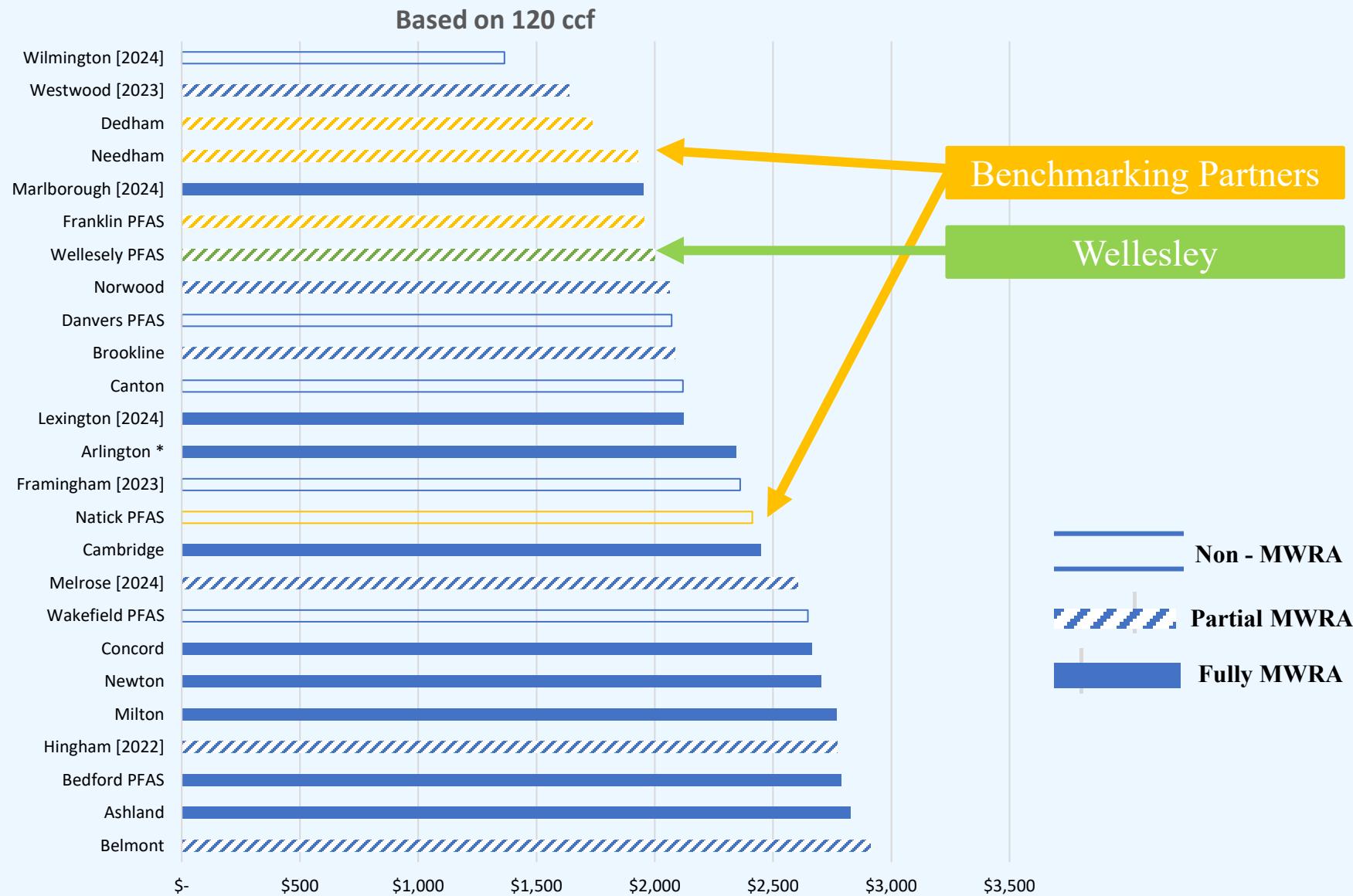
Indoor - 120 ccf / year, Outdoor - 86 ccf / 6 months

Rate	Wellesley	Wellesley <i>FY26</i>	Natick	Needham	Newton
Residential Indoor	\$5.61	\$5.82	\$4.86	\$3.97	\$8.85
Residential Outdoor	\$10.83	\$11.25	\$6.39	\$6.25	\$13.92
Residential Sewer	\$11.07	\$11.70	\$15.08	\$11.22	\$13.69

## Conservation Rate Mechanisms

Mechanism	Wellesley	Natick	Needham	Newton
Monthly Billing	Y	N	Y	N
Customer charge	Y	Y	Y	N
Readiness-To-Serve	Y	N	N	N
Indoor/Outdoor Rates	Y	Y	Y	Y
Seasonal (Peak) Rates	Y	N	N	N
Increasing Block Structure	Y	Y	Y	Y
Low Income/Elderly Assistance	N	Y	Y	N

# Benchmarking – FY25 Annual Water & Sewer Bill



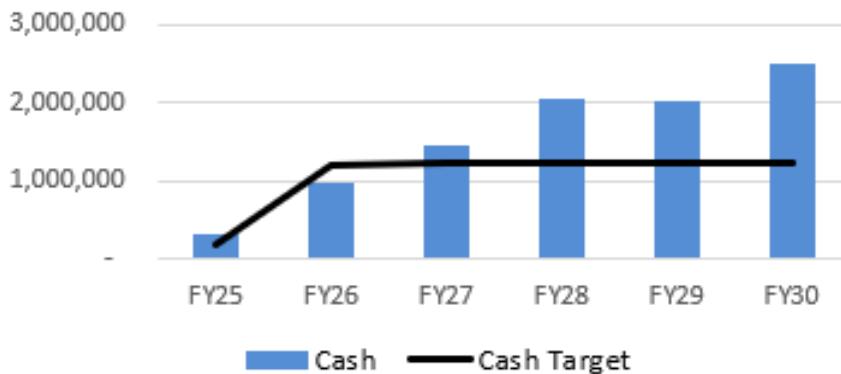
**TOWN OF WELLESLEY  
DEPARTMENT OF PUBLIC WORKS**

**STORMWATER FEE  
RECOMMENDATION**

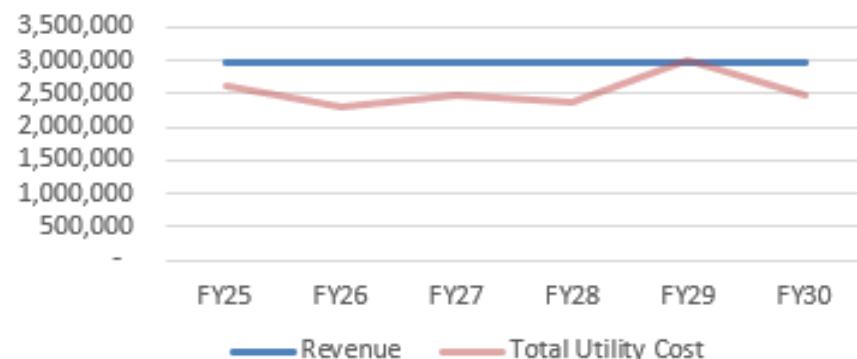
# Stormwater Financial Forecast

	FY25	FY26	FY27	FY28	FY29	FY30
ERU Billed	14,006	14,006	14,006	14,006	14,006	14,006
ERU Rate Change Plan	0%	0%	0%	0%	0%	0%
Debt Service/Revenue	0%	0%	0%	0%	0%	0%
Average User Annual Bill	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225	\$ 225
Net Cash Flow (\$ M)	\$ 0.33	\$ 0.66	\$ 0.48	\$ 0.58	\$ (0.02)	\$ 0.48
Total Cash End Of Year (\$ M)	\$ 0.33	\$ 0.99	\$ 1.47	\$ 2.05	\$ 2.03	\$ 2.50

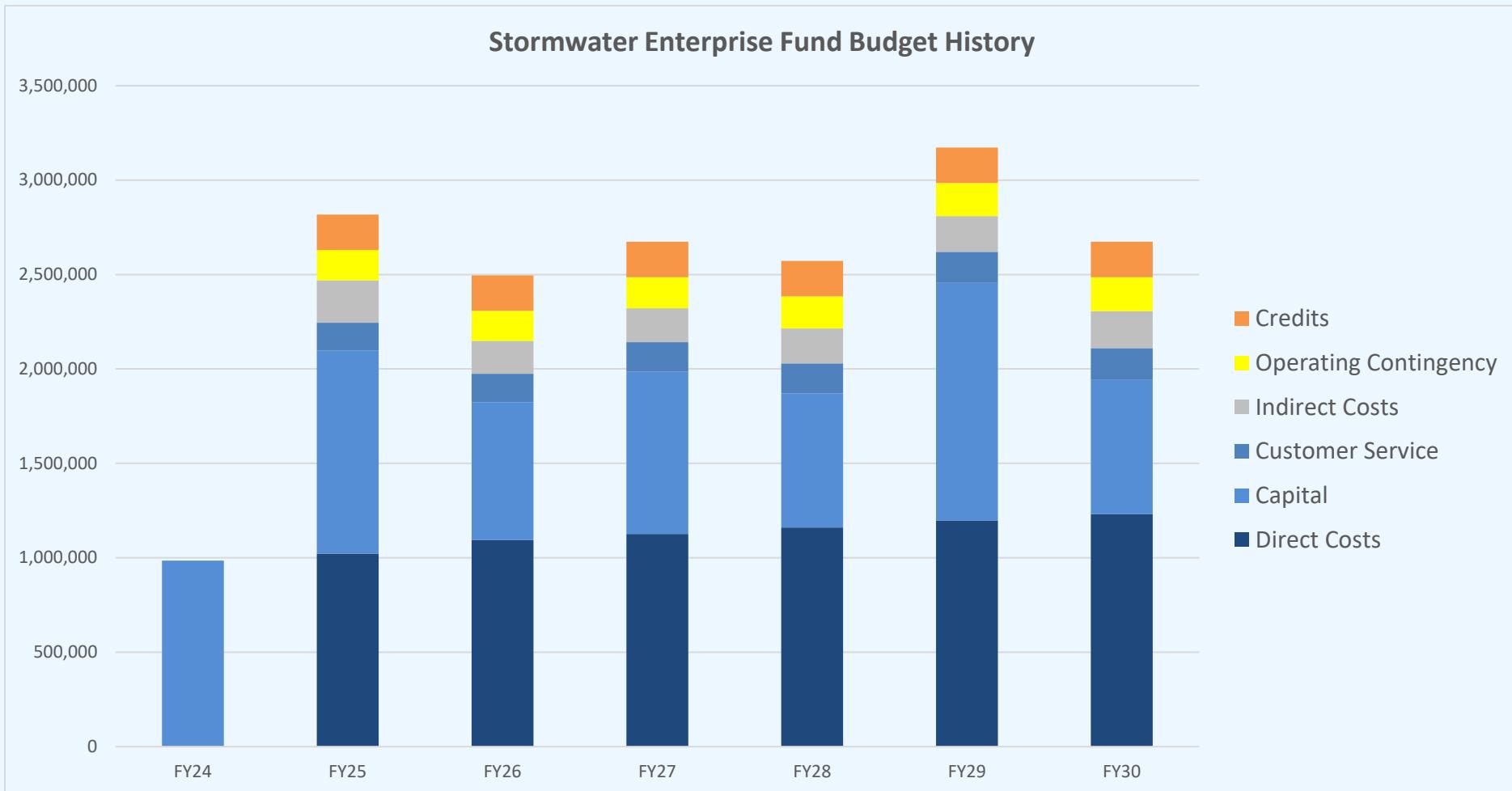
**Cash - End of Year**



**Revenues vs. Expenses**



# Budget Trend - Stormwater



# Stormwater Fund Rate Recommendation and Forecast

- FY26 - No Change
- FY27 - No Change
- FY28 - No Change
- FY29 - No Change
- FY30 - No Change

# Benchmarking

Town	Year Adopted	ERU (ft <sup>2</sup> )	Single Family Residential Fee	Other Residential	Large Residential, Commercial, Industrial, Tax Exempt	Charles River Phosphorous TMDL?
Wellesley	2023	3,105	\$157.50 - \$382.50+/year 4 tiers	\$225 / ERU	\$225 / ERU	Yes
Bellingham	2020	3,025	\$96 / year Flat Fee for SFR & Condos	\$192/year Flat fee 2-3 family	\$96 / ERU	Yes
Dedham	2023	2,627	\$188-\$1,286 /year 3 Tiers (Includes two and three family dwellings)	\$289 /ERU or 12 Tiers Flat Rates (\$303 to \$118,687)	\$289 / ERU or 12 Tiers Flat Rates (\$303 to \$118,687)	Yes
Millis	2018	N/A	\$0 - \$400+ / year	\$0 - \$400+ / year	\$0 - \$400+ / year	Yes
Milton	2016	N/A	\$44-\$572/year 6 Tiers	\$2.49 per 100 ft <sup>2</sup> IA	\$2.49 per 100 ft <sup>2</sup> IA	No
Newton**	2006	N/A	\$114 / year	\$100/year Flat fee for 2-4 Unit Res	\$0.047 per ft <sup>2</sup> IA Minimum \$150/year	Yes
Needham**	2025	N/A	\$38.20 - \$1,500 / year 10 Tiers	same	same	Yes
Westford**	2019	3,500	\$37.50 - \$150 / year 5 Tiers	\$75/ERU	\$75/ERU	No

\*\* Portion of stormwater program funded through General Fund

# Abatements & Credits

## Abatements

- Landowners may apply if fee is thought to be incorrect – apply online.

## Available Credits:

- **Stormwater BMP / Water Quality Improvement Credits:** Credits for larger properties to construct and maintain BMPs that reduce downstream impacts to the drainage system and water quality. Up to 50% credit depending level of treatment.
- **NPDES MS4 Credit:** E.g., Mass Bay College is a Non-Traditional MS4 under the General Permit of the town. If in compliance, offer 10% credit. Can be combined with other credits.
- **Education Credit:** With a goal of increasing community awareness of stormwater, implementation of curriculum or a public service program that provides the public with an opportunity to understand and participate in stormwater management and watershed stewardship. Not to exceed 15% credit that can be combined with other credits.
- **Non-Structural Stormwater BMP Credit:** E.g., sweeping private roads and parking areas for properties with >1 acre of impervious area that impact water quality.
- Credits typically good for 1-5 years and need to re-apply.

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**PUBLIC HEARING  
MAY 12, 2025**

**SUMMARY OF WATER RATE CHANGES  
RESIDENTIAL WATER CUSTOMERS  
MONTHLY CHARGE, EFFECTIVE JULY 1, 2025**

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)	\$4.86	4%	\$5.05
Indoor Meter, above 5 CCF (over 3,740 gal)	\$5.70	4%	\$5.93
Outdoor Meter, all use	\$5.70	4%	\$5.93
Peak Service Rate per CCF in effect during May - October billing periods:			
Indoor Meter, 0 - 5 CCF (0 to 3,740 gal)	\$4.86	4%	\$5.05
Indoor Meter, 6 - 12 CCF (to 8,976 gal)	\$5.70	4%	\$5.93
Indoor Meter, 13 - 24 CCF (to 17,952 gal)	\$9.04	4%	\$9.40
Indoor Meter, 25 - 36 CCF (to 26,928 gal)	\$11.70	4%	\$12.17
Indoor Meter, above 36 CCF (over 26,928 gal)	\$14.89	4%	\$15.49
Outdoor Meter, 0 - 24 CCF (0 to 17,952 gal)	\$9.04	4%	\$9.40
Outdoor Meter, 25 - 36 CCF (to 26,928 gal)	\$11.70	4%	\$12.17
Outdoor Meter, above 36 CCF (over 26,928 gal)	\$14.89	4%	\$15.49
Readiness-To-Serve Charge on meters over 5/8" (monthly)			
3/4" meter	\$8.99	4%	\$9.35
1" meter	\$15.63	4%	\$16.26
1 1/2" meter	\$41.02	4%	\$42.66
2" meter	\$114.66	4%	\$119.25
3" meter	\$150.55	4%	\$156.57
4" meter	\$221.94	4%	\$230.82
6" meter	\$391.60	4%	\$407.26
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, 2025**

RATE CATEGORY	PRIOR	Incr %	NEW
Customer Charge (monthly)	\$5.00	-	\$5.00
Service Rate per 100 cubic feet (1 CCF)	\$2.10	6%	\$2.23
MWRA Adjustment per CCF	\$8.47	6%	\$8.98
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, 2025**

RATE CATEGORY	PRIOR	Incr %	NEW
Indoor Customer Charge (monthly) Outdoor Customer Charge (monthly)	\$3.33 \$6.83	- -	\$3.33 \$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) Indoor Meter, above 5 CCF (over 3,740 gal)  Outdoor Meter, all use (1 CCF = 748 Gallons)	\$4.86 \$5.70  \$5.70	4% 4%  4%	\$5.05 \$5.93  \$5.93
Peak Service Rate per CCF in effect during May - October billing periods:  Indoor Meter, 0 - 5 CCF (0 to 3,740 gal) Indoor Meter, 6 - 12 CCF (to 8,976 gal) Indoor Meter, 13 - 24 CCF (to 17,952 gal) Indoor Meter, 25 - 36 CCF (to 26,928 gal) Indoor Meter, above 36 CCF (over 26,928 gal)  Outdoor Meter, 0 - 24 CCF (0 to 17,952 gal) Outdoor Meter, 25 - 36 CCF (to 26,928 gal) Outdoor Meter, above 36 CCF (over 26,928 gal)	\$4.86 \$5.70 \$9.04 \$9.04 \$9.04  \$9.04 \$11.70 \$14.89	4% 4% 4% 4% 4%  4% 4% 4%	\$5.05 \$5.93 \$9.40 \$9.40 \$9.40  \$9.40 \$12.17 \$15.49
Readiness-To-Serve Charge on meters over 5/8" (monthly)  3/4" meter 1" meter 1 1/2" meter 2" meter 3" meter 4" meter 6" meter	\$8.99 \$15.63 \$41.02 \$114.66 \$150.55 \$221.94 \$391.60	4% 4% 4% 4% 4% 4% 4%	\$9.35 \$16.26 \$42.66 \$119.25 \$156.57 \$230.82 \$407.26
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, 2025**

RATE CATEGORY	PRIOR	Incr %	NEW
Customer Charge (monthly)	\$5.00	-	\$5.00
Service Rate per 100 cubic feet (1 CCF)	\$2.10	6%	\$2.23
MWRA Adjustment per CCF	\$8.47	6%	\$8.98
Minimum Monthly Bill	\$5.00	-	\$5.00