

Fix Tiered Water Rates

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SUBSEQUENT TOWN MEETING

Fix Our Tiered Water Rates

On June 20th of this year, in a split vote, the Select Board adopted a tiered water rate (price) structure that punishes residents of multi-family housing and benefits residents of individual houses.

Ostensibly, the new rates reward lower water usage and recognize affordability concerns of small families and seniors.

- But only if they live in their own house**
- not multi-family housing like condos or apartments.**

20% of Reading residents live in multi-family housing.
MBTA and 40R will increase this number.

Instructional Motion:

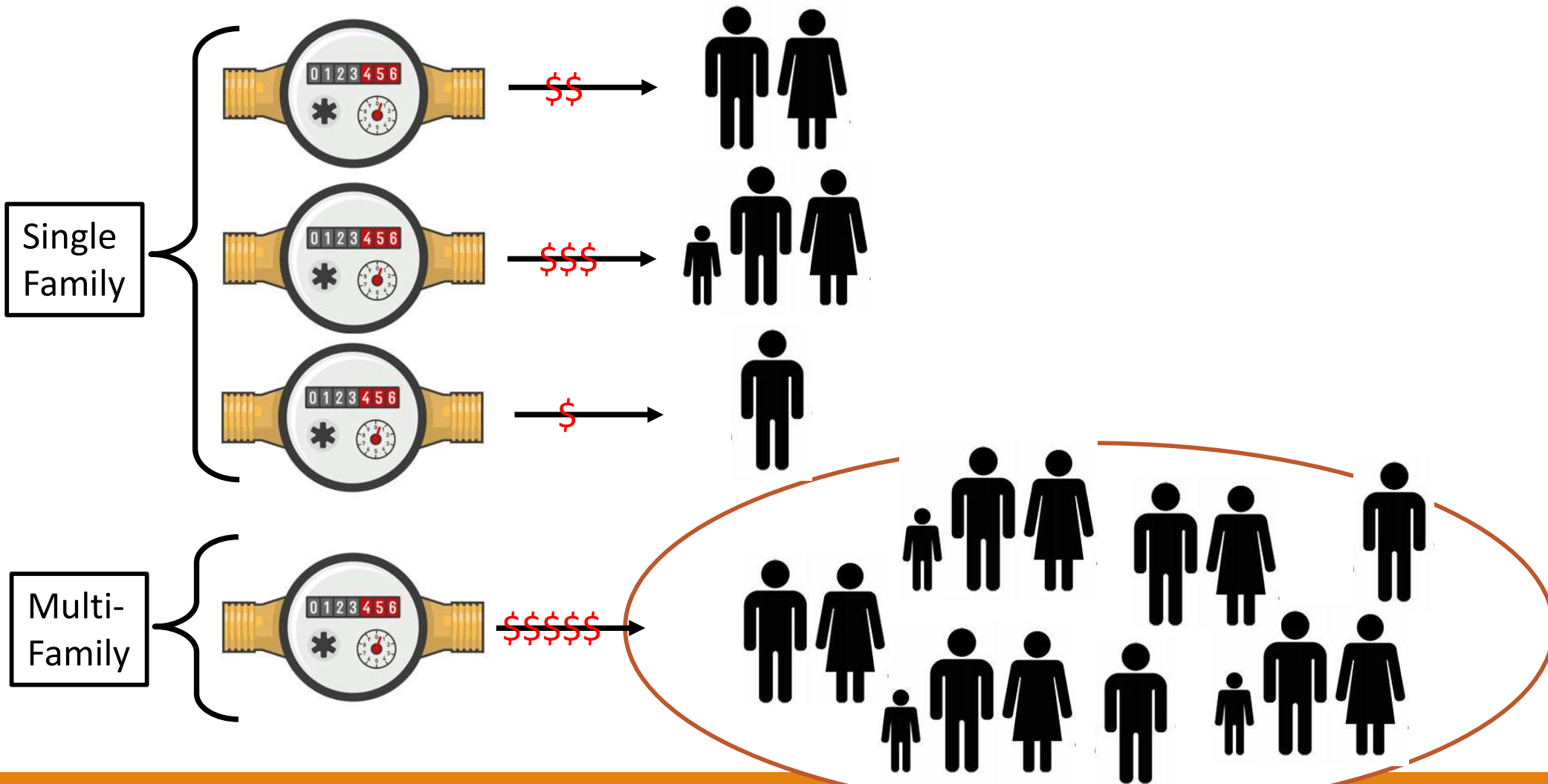
- Move that the Town of Reading develop and implement a water/sewer pricing structure that recognizes that multi-family residential housing comprises multiple family units and does not treat the facility as a single water user even if there is only one water meter to the building.*
- The Town Manager shall report the planned changes to Reading's Annual Town Meeting in April 2024, and the changes shall be implemented by July 2024.*

2023 Tiered Water Rates

New Tiers and Rates (\$ per 100 cubic feet)						
Tier	Start	End	Water	Change	Sewer	Change
1	-	500	\$10.75	-6%	\$10.20	-6%
2	501	1,000	\$10.75	-6%	\$10.20	-6%
3	1,001	2,500	\$11.70	+3%	\$11.15	+3%
4	2,501	4,000	\$12.00	+5%	\$11.50	+6%
5	4,001	+	\$12.50	+10%	\$12.00	+10%

Residents of multi-family housing pay for water at the highest (Tier 5) rate because the rate is determined from their combined water use.

Why? Multi-family Residences Usually Have One Water Meter



Example Multi-family Water Use

0 Tier 4
0 Tier 5

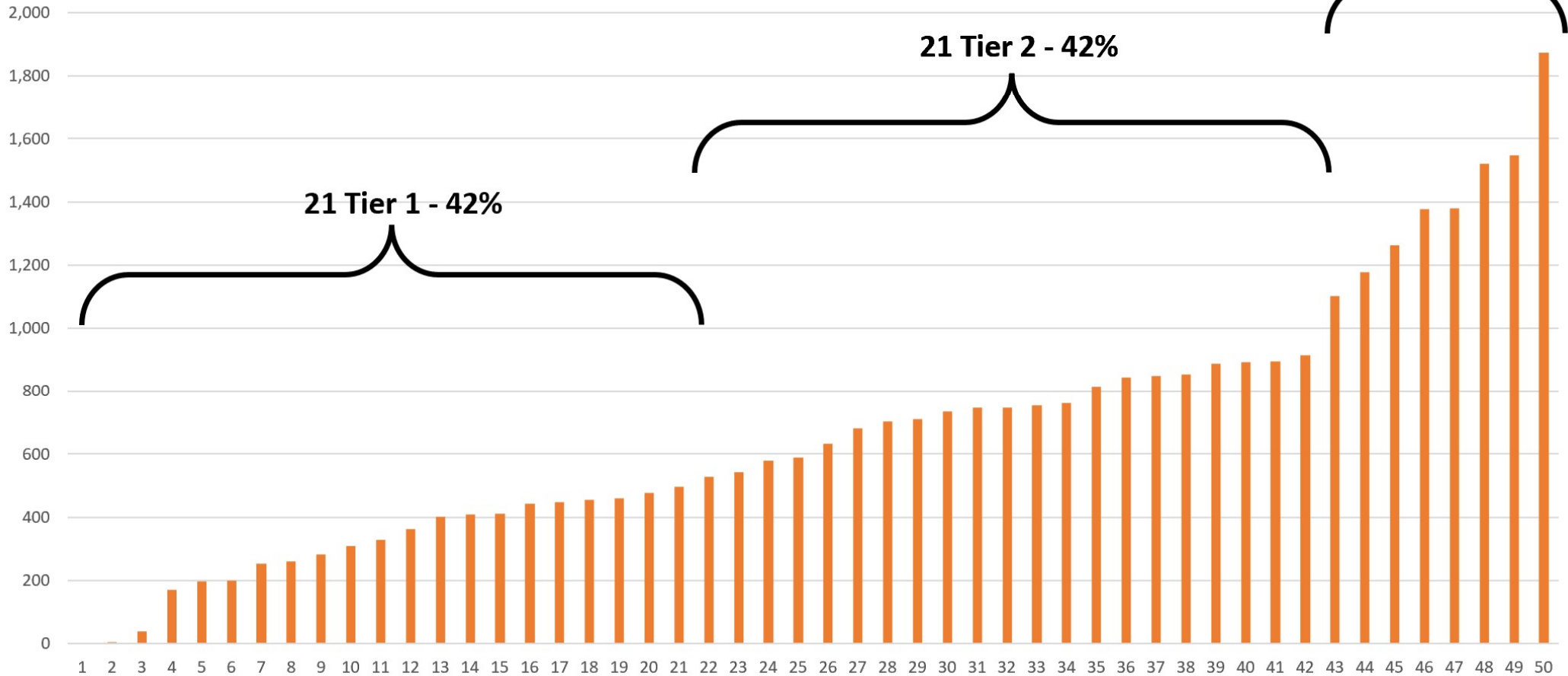
Postmark Water Use by Unit

Total = 33,800 cu-ft
Average = 676 cu-ft (Tier 2)

8 Tier 3 - 16%



21 Tier 2 - 42%

21 Tier 1 - 42%



What is the problem?

Our billing system cannot adjust to account for multi-family housing because:

1. “Munis” software [a.k.a. Enterprise ERP] doesn’t support it. 
 - The software has an Application Programming Interface.
 - The software produces a comma-delimited [.csv] spreadsheet that can be updated for billing.
2. We don’t have the skills or tools to do it right. 
 - We don’t accept this excuse from our electric department.
 - We don’t accept this excuse from our fire department.
 - We don’t accept this excuse from our school system.
 - Why would we accept this excuse from our water department?

Please vote YES on the Instructional Motion.

MA Water Resources Commission (<https://www.mass.gov/guides/water-pricing>):

[Water rates should] send strong price signals to use water efficiently. The most common way to send a conservation price signal is to **charge more per unit for inefficient and discretionary water use.**

Tiered rates are more effective and more equitable when they account for differences in customer type, like **single-family vs. multi-family units**, or household size.

After the vote [by the Select Board on June 20, Jackie] McCarthy suggested that more work was needed to improve the tiered system, especially regarding low-income residents and those in multi-family housing, and that it needed to start now with an update to the board in the fall.

– Reading Daily Times Chronicle 2023-06-21

References

<https://www.printfriendly.com/p/g/d5kTKb>

http://homenewshere.com/daily_times_chronicle/news/reading/article_48a76d24-1047-11ee-ac4f-9f8f7677822f.html

<https://www.youtube.com/watch?v=GfA9iN2xRw8&t=4771s>