

**Instructional Motion to Fix Our Tiered Water Rates
Subsequent Town Meeting, November 2023
David Zeek**

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.

Background:

On June 20th of this year, the Select Board adopted a tiered water rate (price) structure that punishes residents of multi-family housing while it 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,
- And not multi-family housing like condos or apartments.

20% of Reading residents live in multi-family housing. Our requirements as an MBTA community and 40R development will increase this number.

The table shows how the bill for water and sewer starts at a low price, 6% below the 2022 rate, and increases with increased water use to a maximum price, 10% above the 2022 rate, for water use in excess of 4,000 cu-ft.

| 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% |

Unfortunately, this approach is a blunt instrument because it is based on water meters instead of water users. Most multi-family buildings in Reading have only one town water meter. The selected tier/price is based on the combined water use of all the residents regardless of how many families, condos, or apartments that includes. Therefore, these residents are charged at the highest (Tier 5) rate for their water. Perversely, a significant number of the residents of multi-family dwellings are the very seniors, young families, and low-income people that the policy purports to help.

Residents of multi-family housing are not big water users. They aren’t watering gardens or lawns or washing cars on the driveway. In one example of a 50-unit condo, average water use is

less than 700 cu-ft per unit which should be Tier 2. But, combined the building uses 33,000 cu-ft of water per quarter – far, far above the Tier 5 threshold.

Why can the town not use an average rate (water use / no. units) for multi-family buildings? Or just set a fixed Tier 2 price for multi-family buildings?

What is the problem? *Our billing system cannot adjust to account for multi-family housing because:*

1. *The “Munis” software [a.k.a. Enterprise ERP] that Reading (and many municipalities) uses doesn’t support it.*

In fact, the software offers multiple options to implement a price adjustment.

- The software has an Application Programming Interface.
- The software produces a comma-delimited [.csv] spreadsheet that can be modified 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 schools.
- Why would we accept this excuse from our water department?

Massachusetts Water Resources Commission

[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.

Reading Daily Times Chronicle 2023-06-21

After the vote [by the Select Board on June 20, Chair 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.

Town Meeting can set this right.

References

- Select Board adopts tiered water rates on June 20, 2023
<https://www.youtube.com/watch?v=GfA9iN2xRw8&t=4771s>
- MA Water Resources Commission
<https://www.mass.gov/guides/water-pricing>
- Reading Daily Times Chronicle
http://homenewshere.com/daily_times_chronicle/news/reading/article_48a76d24-1047-11ee-ac4f-9f8f7677822f.html