

# MWRA ADVISORY BOARD

## WATER SUPPLY UPDATE

MARCH 1988

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A monthly report of news and information about water management and conservation in the MWRA area. Provided as a service to cities and towns by the Advisory Board.

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### MWRA PROPOSES TO INCREASE WATER RATES BY 39.9%

To meet revenue needs for its proposed FY89 current expense budget, the MWRA has proposed an average water rate increase of 39.9% throughout the service area. For sewer services to communities, the proposed increase is 49.6% for FY89. The MWRA estimates that these rate increases, when figured into local water and sewer bills, will cost an average homeowner about \$45 per year.

The total proposed budget for the agency amounts to \$154.5 million, an increase of \$47.7 million over this year's spending level. Almost 97% of the budgeted amount is expected to be covered by user charges. \$48.9 million would be collected from water users, \$99.9 million from sewer users, and \$5.7 million from other income sources.

Because water assessments to communities for FY89 are based on each community's 1987 water usage, communities with decreased water usage levels during 1987 can expect smaller rate increases than those communities with increased water consumption. For instance, the proposed rate increase for Arlington, where usage went up by over 14%, is 55.5%. In Everett, where usage remained unchanged from the previous year, the proposed rate increase is 36.0%. And in Woburn, where usage decreased by 11%, the proposed rate increase is only 20.5%

The MWRA says that increased revenue is needed to pay for better programs to reduce leakage in MWRA and community pipes, to increase public awareness about water conservation and other Authority goals, to prevent breaks in pipes and at pump stations, to encourage large industries to use less water, to maintain revenue meters in good working condition, to inspect and maintain tunnels, and to assure high quality drinking water. In addition, new staff positions in engineering and waterworks have been requested to reduce reliance on outside consulting firms.

The Advisory Board is currently engaged in its 60 day review of the MWRA's budget. Important budget review dates and events are:

March 24	7:30 pm	Public Hearing at Newton City Hall
April 21	7:30 pm	Advisory Board vote on budget comments, at Dedham Town Hall

## PLUMBING BOARD SAYS NEW TOILET CODE WILL START MARCH 1, 1989

At its March meeting, the State Plumbing Board approved the MWRA's proposal requiring all new toilets sold in the state to use no more than 1.6 gallons per flush. To allow adequate time to gear up for this change, the new code will not go into effect until March 1, 1989. No decision was made on whether to require "water use labels" on toilets and toilet packaging.

Praising the Plumbing Board's action, which makes Massachusetts the first state in the nation to require 1.6 gallon toilets, MWRA Board Chairman James Hoyte said, "This new standard will have a tremendous beneficial impact on the commonwealth and the consumer. We hope that these toilet regulations, combined with other conservation measures, will eliminate the need we might have had to look for alternative supplies of water."

MWRA staff are preparing a presentation to the Advisory Board to answer members' questions and concerns about low-flow toilets. The presentation is tentatively scheduled for the April 21st meeting.

## MWRA AND COMMUNITIES MEET TO DISCUSS WATER CONSERVATION POLICIES

In the first meeting of its kind, representatives from about 15 full-user communities met with MWRA staff on March 2 to discuss possible policy mechanisms to achieve effective levels of water conservation in all communities. The wide-ranging discussion revealed that:

- most communities are opposed to the idea of being subject to the same policies developed for contract communities;
- many communities believe it is inappropriate and unnecessary for the MWRA to regulate local water management activities;
- the MWRA and the communities disagree on whether conservation standards should be mandatory or voluntary;
- many communities feel they lack the most basic tools, such as computers, needed to improve operations and data collection;
- many communities doubt whether feasible local sources exist in highly urbanized areas;
- most communities feel ratepayers will not tolerate the extra costs associated with many conservation activities.

Some illustrative quotes from meeting participants:

Marcis Kempe (MWRA): "Efforts in all the communities aren't really the same. There are some very good success stories...but there is a lot of potential in many communities to do even the most basic water saving tasks."

Kathy Hearn (MWRA): "It's important that we all agree on some sort of policy so that you can count on the fact that everybody's doing their best to conserve our limited supply of water."

Mayor McCarthy (Everett): "You can talk about fines and requirements, but what are you going to do, take the city away from us? I think we've got to get down to some realities here...We can't move as quickly as you expect. We lack some of the very basic tools needed to get these things off the ground."

Bernie Cooper (Norwood): "I don't think the MWRA's enabling act authorizes you to set up some of these policies...You're the wholesale supplier, we're the retail distributor, and I think the boundary between the two has to be maintained."

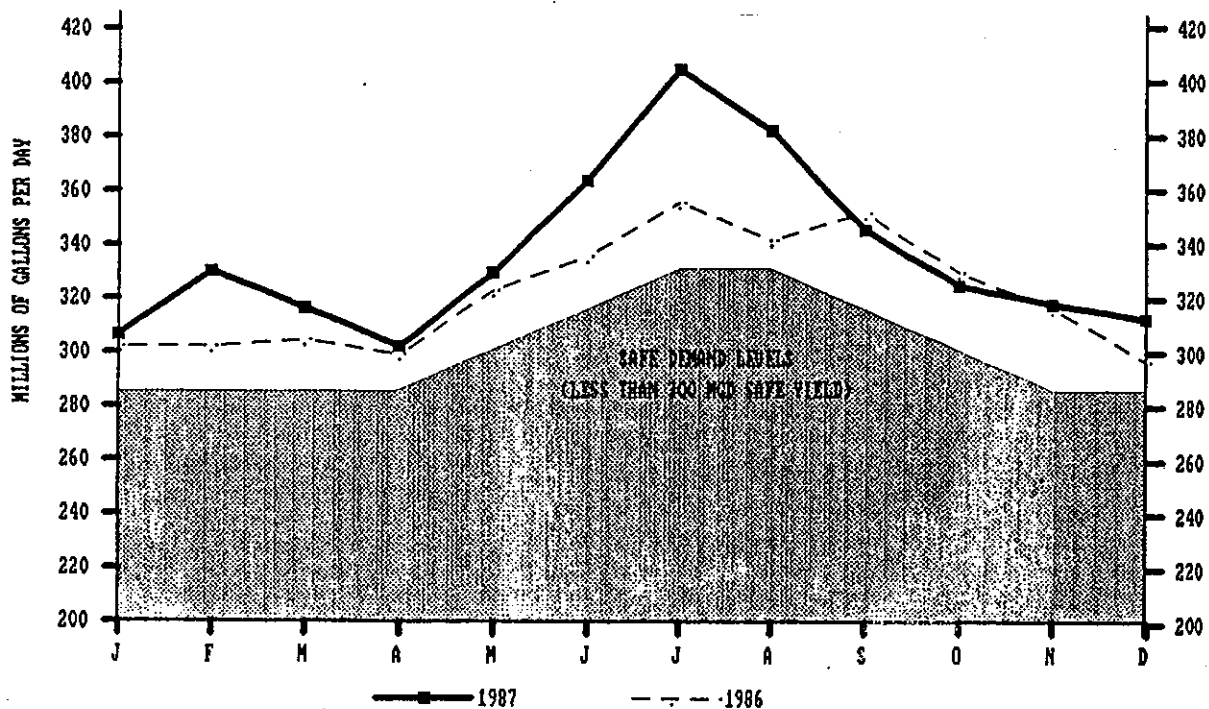
John Sullivan (Boston): "As a member community, I think the process here was wrong. When I receive a letter about 'continuation of water supply' I don't know why I should read any further...The process and the policies for member communities should be different from what was used for contract communities."

## WATER USE IN 1987 UP SLIGHTLY DUE TO DRY SUMMER

Total water consumption by MWRA users in 1987 increased to 307.1 million gallons per day, up from 293.3 mgd in 1986, a 4.7% increase. Total withdrawals from the reservoirs amounted to 336 mgd in 1987, compared with 322 mgd in 1986.

The increase in water consumption was linked to the warm, dry summer. During the months of June, July, and August, when rainfall was below normal, water usage reached unusually high levels. The graph below shows monthly water usage for 1986 and 1987, and clearly illustrates that demand levels throughout the year exceeded the safe yield level of 300 mgd.

### WATER USE COMPARISON OF 1987 TO 1986



Source: MWRA Eng. Div.

## MDC PROPOSES TOUGH NEW CONTROLS ON USE OF WATERSHED LANDS

The MDC Division of Watershed Management has proposed a plan to limit certain recreational and public activities on the watershed lands of the Quabbin Reservoir and Ware River. According to the MDC, the new plan is needed because recreation and development pressures are on the increase, and because the Safe Drinking Water Act will require tighter management of watersheds to protect water quality.

Some of the measures proposed in the Quabbin and Ware River Watersheds: Recreation and Public Access Policy and Plan include:

- o Prohibiting 24 hour access at the Quabbin Reservation. The area will be closed 4 or 5 hours per night to prevent littering and sanitary problems.
- o Installing 37 gates around the Ware River Reservation to prevent illegal dumping of wastes.
- o Prohibiting all recreational vehicles on division land, except snowmobiles.
- o Continuing to prohibit camping, swimming, and cross-country skiing at Quabbin.

CONSERVATION QUOTE ON CHARGING THE FULL COST OF WATER

This quote is reprinted from the excellent article, "Full-Cost Water Pricing," by James Goldstein, which appeared in the Feb 1986 issue of the American Water Works Association Journal. (Copies of the entire article are available upon request from the Advisory Board.)

Good water resource management requires sound financial management by water utilities to ensure that adequate funds are available for operating, maintaining, and improving supply systems. One essential component of sound financial management policy is appropriate water pricing, i.e., charging rates that reflect the full cost of providing water.

The people and businesses of Massachusetts and the entire United States can be served best by utilities that are well managed, self-sustaining enterprises. Recognizing the goal of improved utility management is only the first step. To ensure adequate funding to meet this goal, a municipal water utility must take concrete actions. By setting rates based on the full cost of service and devoting water revenue to water utility expenses only, municipal water utilities can ensure adequate financing, encourage conservation, and increase public awareness concerning the true value of water resources.

First, expenditures and revenues of the water utility should be separated from the municipality's general account by establishing an enterprise fund account. The enterprise fund account enables the utility to retain revenues for water system expenses only.

Second, the full cost of providing water should be calculated and should include such expenses as depreciation of fixed assets and capital improvements. This calculation identifies the revenue needs of the water utility.

Third, the extent to which revenues generated from water rates cover the full cost of service should be determined. Fourth, all water consumers, including municipal users, should be metered. In addition, an education campaign should be undertaken to inform the public and local officials about the full cost of providing water and about the necessary financial management practices for meeting this cost.

The rate-making process can be improved by minimizing political considerations and focusing on increased efficiency of operations and maintenance and the capital improvement needs of the water distribution system. This could require appointing a special board or committee to examine needs and recommend appropriate water rates and related policies.

Finally, water rates should be established at levels that equitably recover the full cost of service and are consistent with other policy objectives of the community.

COMMUNITY NEWS

Leak detectors from the MWRA discovered a 1 mgd leak in a Wakefield water main last month. Because the leak occurred where the pipe crossed a brook, it went undetected for several months, causing the Town's water consumption to soar during 1987. A crew from the Wakefield Department of Public Works repaired the leak the same day it was found.

The Malden Evening News reports that the City Council has formed a committee to develop and implement a comprehensive water and sewer use policy with four goals: restructure the water and sewer rates into a stepped rate system, encourage water conservation, survey the infrastructure system, and ask the state to shoulder the burden of costs for cleaning up Boston Harbor.

The Water and Sewer Division of the Newton DPW has mailed to all residents an excellent brochure that explains why rates are going up, how rate revenue is spent, how to conserve water in the home, how to assure accurate meter readings, and what improvements the City has planned. The brochure informs citizens that: "Fifty cents out of every dollar collected goes directly to the Massachusetts Water Resources Authority. This percentage will increase during the next several years."