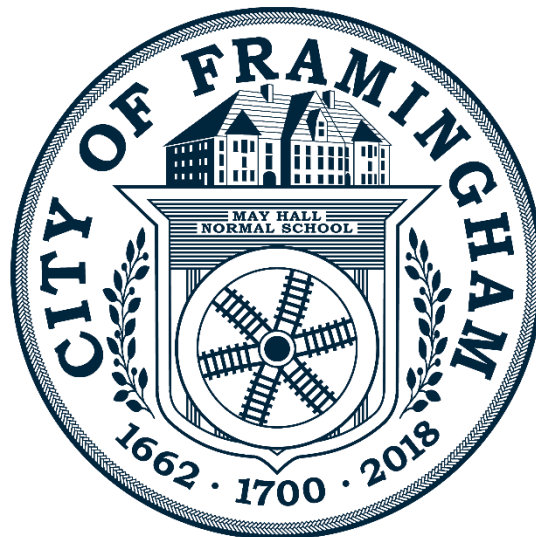


CITY OF FRAMINGHAM

ENTERPRISE FUND REPORT



Mary-Ellen Kelley | *Chief Financial Officer*

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INTRODUCTION

Each year in November, the City of Framingham submits its fiscal year budget and tax levy and rate information to the Department of Local Services (DLS) for revenue/budget approval and certification of the City's upcoming tax rate. In December, DLS notified us that the tax rate certification would be delayed until we balanced the estimated shortfall in the FY21 enterprise fund revenue. The original plan to deal with the water and sewer revenue shortfall was to amortize it over the subsequent three years, which is allowed. DLS agreed that we could amortize the FY20 revenue shortfall but determined the FY21 portion must be closed in the current year and not carried forward. DLS representatives suggested to appropriate city funds to close the projected \$2.5M gap. DLS mentioned the City's free cash balance of \$8 million as being available to appropriate. If we do not close the revenue shortfall with either the solution recommended by the Administration or an amended solution, the revenue shortfall will increase the tax levy by \$2.5 million – this would increase the average tax bill by \$84. At the tax rate hearing, we discussed the average tax bill decrease of \$13; this potential increase in the levy would change that estimate to a \$70 increase in the average residential tax bill.

Initially, when the Administration presented this matter to the City Council, the issue was tabled, and a report was required to be submitted to the Finance Subcommittee. This report intends to:

- Close the revenue shortfall
- Allocate back the Enterprise Fund indirect charge (overhead)
- Forecast a rate increase to complete the above two items
- Provide background information and alternative solutions

EXECUTIVE SUMMARY

Consumer demand for service fluctuates year to year depending on the season and weather patterns. For example, dry spring and summer seasons can impact the demand in a positive trend, as does a changing commercial consumption environment. Revenue swings affect the Enterprise Fund's Retained Earning balance; growing when billings exceed projections and declining when billings fall short of expectations. This pattern has existed for years. While other circumstances affect the Retained Earnings calculation, such as operating expense turn back of unexpended funds, revenue swings are the most important factor.

The calendar year of 2019 saw dramatic reductions to commercial consumption in Tiers 4 and 5 for both water and sewer services, exaggerated by a rainy weather season that lowered irrigation revenue. January through March 2020 billings showed signs of improvements in most billing tiers (all but Tier 1). A multi-year summary of water and sewer tier consumption is included in this package. Pandemic impacts reversed those gains. Included in this package is a schedule comparing 2019 to 2020 usage of the City's top users.

There are insufficient funds in the Enterprise Retained Earnings to close a projected \$2.5M revenue shortfall for FY21.

We have two challenges to address:

- Resolving the immediate \$2.5M revenue issue so DLS can certify our tax rate;
- Creating a sustainable billing methodology that will allow the City to remain fiscally strong during periods of economic instability.

Recommended actions include:

- 12% rate increase effective July 1, 2021 (first rate increase since July 2019). The estimated impact on the average residential quarterly water and sewer bill is \$25;
- Multi-year adjustment to Indirect Expenses
- Evaluation of alternative billing models with implementation targeted for July 1, 2022. We have included a summary of billing structures used by other Massachusetts Water Resources Authority (MWRA) communities.
- Review of eligibility criteria for the City’s Water and Sewer Discount Program

BACKGROUND WATER & SEWER ENTERPRISE FUND

The Water and Sewer Enterprise Fund functions as a unique set of accounts with the majority of revenue generated by user fees (water and sewer bills based on the user’s water consumption). The costs to purchase water from the MWRA, dispose of wastewater to the MWRA, operate water & sewer services, and maintain our infrastructure are paid from this fund.

ENTERPRISE FUND HISTORICAL BUDGET SUMMARY

<u>Expense Category</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
Operating Costs	\$ 10,032,424	\$ 10,156,147	\$ 10,292,599	\$ 10,320,316	\$ 9,510,164
Debt Service	\$ 14,894,047	\$ 16,281,677	\$ 18,073,833	\$ 19,478,169	\$ 20,612,085
MWRA Assessment	\$ 21,093,821	\$ 21,160,480	\$ 21,812,652	\$ 22,123,854	\$ 22,043,794
Indirect Costs	\$ 3,071,894	\$ 3,194,770	\$ 3,322,561	\$ 3,422,238	\$ -
Total Budget	\$ 49,092,186	\$ 50,793,074	\$ 53,501,645	\$ 55,344,577	\$ 52,166,043
Operating Expenses as a % of the total budget	20%	20%	19%	19%	18%
Debt Service as a % of the total budget	30%	32%	34%	35%	40%
MWRA as a % of the total budget	43%	42%	41%	40%	42%
Indirect Costs as a % of the total budget	6%	6%	6%	6%	0%

EXPENSE COMPONENTS

MWRA

Forty-two percent (42%) of costs within the FY21 Enterprise Fund are paid to the MWRA to purchase its potable water for consumption and the conveyance and treatment of its wastewater. The annual MWRA water assessment is calculated based on Framingham's portion of MWRA's total water sales, as determined by actual metered water provided to Framingham the previous calendar year. The sewer assessment is a little more complicated and is based on a three-year rolling average of metered flow, contributing population, peak monthly wastewater flow, and wastewater chemical and biological characteristics.

The City has the ability to mitigate a portion of these increases by supporting an annual program that upgrades its water distribution system to minimize water loss (and its associated revenue) by reducing water main breaks and leaks and by upgrading its wastewater collection system to eliminate sources of extraneous flows from groundwater and stormwater. However, the MWRA wholesale rate setting has a zero-sum outcome, meaning that each member communities gain or loss in water or wastewater volumes is balanced by the losses and gains of other communities. For example, Framingham has reduced its water consumption from the MWRA over the past few years, but so have other communities. Therefore, our rate has not directly reflected the reduction in water use.

DEBT SERVICE

The City pays for capital improvements made to the water and wastewater system by borrowing funds with payment schedules dependent on the type of investment (equipment purchases 8 years, design of projects 5 years, and construction activities funded over 20 years). Budgeted debt service is the total of existing debt and anticipated debt on previously approved but not yet financed projects. Many appropriations are drawn over time as project designs are developed, necessary easements are researched and obtained, projects are bid, and work advances to construction. The majority of construction projects typically span at least two construction seasons, and therefore, the financing spans multiple years. Debt Service represents 40% of the Enterprise Fund FY21 budget.

Last month the City issued bonds at very favorable rates, 1.38%. Plans to refinance 2009, 2010, and 2011 debt are expected to generate \$1.45 million in savings over the debt's remaining life (average six years).

OPERATING COSTS

In 2020, the City distributed an average of 5.78 million gallons per day (mgd) of potable water to Framingham's residents and businesses for an annual total of 2.11 billion gallons. In addition, through November 2020, an average of approximately 6.33 mgd of wastewater was collected from the residents and businesses of Framingham and conveyed to the MWRA for an annual total of 2.1 billion gallons. Representing 18% of FY21's Enterprise Fund Budget, operating costs include the personnel, equipment, services, and materials to provide for the daily operation, maintenance, and repair to the water distribution infrastructure that includes: 280 miles of

pipe, service connections, 2,000 hydrants, 4,800 gate valves, 22,000 meters, 4 pumping stations, 3 booster stations, and 7 above-ground water tanks having a storage capacity of nearly 9 million gallons, and the daily operation, maintenance, and repair to the wastewater collection system which consists of 226 miles of gravity mains, 18 miles of force mains, 43 pump stations, 6,600 manholes, and over 40 miles of cross country sewer-line easements.

The operations team addresses emergencies and performs preventative maintenance functions. Data points on their 2020 performance include:

- 49 water system failures
- 652 water service calls
- 238 sewer incidents requiring an immediate jet truck response
- 254 fire hydrant repairs
- 55 manhole repairs

INDIRECT COSTS

In addition to the employees who are dedicated to Enterprise Fund functions, other municipal staff support the Public Works Department's daily operation and are funded through indirect costs. Examples of these services include the Treasurer's Department that receives and processes all water and wastewater payments and the Human Resource Department, which facilitates hiring, benefits program administration, and employee relation needs. Historically, six percent (6%) of Enterprise Fund spending reimburses the General Fund for these functions.

The approved FY21 budget did not include an interfund transfer for Indirect Costs.

REVENUE SOURCES

In addition to invoicing customers for water & sewer consumption, two significant revenue sources exist within the Enterprise Fund: Ashland Trunk Line Fees and Inflow and Infiltration Fees.

ASHLAND TRUNK LINE REVENUE

An Intermunicipal Agreement was executed in 2007 with the Town of Ashland to transport wastewater through our system to the MWRA connection at Arthur Street. Framingham receives revenue from the Town of Ashland based on a formula included in the agreement. Essentially, Ashland contributes to the operating costs of Framingham's wastewater system based on the volume of Ashland's wastewater that is discharged to and conveyed by Framingham's system. This payment is approximately \$1.0M annually.

INFLOW & INFILTRATION FEES

Framingham also receives revenue to identify and eliminate sources of extraneous non-wastewater flows, known as Infiltration and Inflow, from groundwater and stormwater sources to the wastewater system. These fees are paid for by certain new development projects and or

renovations—a recent surge of large development projects generated sizable payments to the City.

USER FEES

Determination of water and sewer rates (user fees) considers all of the above revenue and expense categories. In its simplest form, revenue from water and sewer customers is calculated as follows:

Budgeted Spending less Other Revenue Sources equals Revenue Needed from Water and Sewer Rates

Despite the simple calculation, actual revenue forecasting is significantly more complex. Weather patterns (wet versus dry spring and summers) vary, and commercial and residential customers' demands fluctuate. Some manufacturing customers revamp their processing lines changing their typical usage patterns for a period of time. Businesses close, new development occurs, water conservation devices are installed, and these changes are difficult to predict.

The final quarter of FY20 and the outlook for FY21 are further impacted by significant consumption changes resulting from the pandemic. A majority of office environments continue to work remotely, restaurants are still experiencing capacity constraints, and dramatic changes in retail and hotel operations all present water consumption changes.

We have closely monitored our monthly billing data, particularly since the pandemic began: trying to gauge its impact on the bottom line. Adding to the complexity of this process are our quarterly billing cycles. See below for information on the schedule for billing most customers. (Large commercial customers are billed monthly.)

Bill Date	Time Periods Billed	Bill Date	Time Periods Billed
January 15th	October, November, December	July 15th	April, May, June
February 15th	November, December, January	August 15th	May, June, July
March 15th	December, January, February	September 15th	June, July, August
April 15th	January, February, March	October 15th	July, August, September
May 15th	February, March, April	November 15th	August, September, October
June 15th	March, April, May	December 15th	September, October, November

FY21 REVENUE FORECAST

Despite these complications, we have completed a forecast for FY21, estimating \$46.9M in water and sewer rate revenue. A copy of the forecast is included as an attachment to this package. This forecast falls \$2.3M short of the revenue needed to cover budgeted expenses.

The sudden and significant change in customer consumption patterns have highlighted a shortcoming of our current billing methodology: the allocation of rates between the tiers is too

heavily weighted towards tiers four and five: both on water and sewer. Billing additional units (Our billing unit of measure. One unit is 748 gallons) in tiers one and two does not offset the revenue lost by fewer units in tier four and five. A preliminary review of billing models used by other MWRA communities highlights diversity in billing strategies. We plan to investigate alternative billing frameworks.

The development of new residential housing in Framingham brings new customers and increased billing. Several large projects have come online, ramping up their occupancy and, therefore, their water and sewer needs. Alta-Union House (93% occupied), the Buckley (63% leased), and Modera (25% rented) will be large users of Framingham services.

Other smaller revenue sources are captured within the Miscellaneous Revenue category. These charges include backflow device testing, broken meter replacement, new connection fees, and others.

FY22 AND OUT YEAR FORECASTS

We will be preparing a recommended FY22 Operating Budget proposal over the coming weeks. Until the budget proposal is fully developed, we will rely on existing financial models to forecast rate growth. The Chief Financial Officer's Office and the Public Works Department have developed a long-term financial model that provides a detailed analysis of water and wastewater forecasted enterprise fund financial performance. This model incorporates all expense categories and all revenue streams. The goal of the model is to estimate the revenue to be generated from water and wastewater rates.

FY22 RATE FORECAST

Expenses:	FY22	Less: Revenue Sources/Offsets	FY22
MWRA	\$ 23,008,479	Additional Revenue-New Development	\$ 122,182
Debt Service	\$ 20,834,815	Miscellaneous Revenue Sources	\$ 742,796
Operating Expenses (incl Small Capital)	\$ 9,753,764	Inflow & Infiltration Fees	\$ 306,060
Deficit Carryforward FY20	\$ 500,000	Fire Service Fees	\$ 603,324
Indirect Costs (2% increase annually)	\$ 1,000,000	Ashland Trunk Line Income	\$ 984,462
Total Expenses	\$ 55,097,059	Total Estimated Misc. Revenue	\$ 2,758,824
		Rate Revenue Required	\$ 52,338,235

RATE FORECASTS

Eighty percent (80%) of anticipated spending in the FY22 forecast is 'fixed' (the city does not have the flexibility to make budget reductions in MWRA Assessments or Debt Service). However, the City does plan to refinance 2009, 2010, and 2011 existing debt to achieve cost

savings. Water and Wastewater Operating budgets were reduced by 8% in FY21: although we continue to look for efficiencies and cost-saving changes, we do not expect significant reductions in operating accounts.

As mentioned earlier, forecasted FY21 revenue is projected to be \$46.9M. The FY22 forecast (above) that begins the reinstatement of Indirect Costs: with \$1.0M included, requires \$52.3M in revenue: a 12% increase.

Indirect Costs is a line item in the budget the city can affect. We have shown below further rate increases needed for FY22 based on different Indirect Cost allocations:

FY21 Forecasted Revenue	\$ 46,892,932.02		
	Indirect Cost Allocation	Additional Revenue Needed in FY22	% Rate Growth Required
	\$ 3,422,238.00	\$ 7,867,540.87	17%
	\$ 2,500,000.00	\$ 6,945,302.87	15%
	\$ 1,000,000.00	\$ 5,445,302.87	12%

SUMMARY

EXPECTATIONS

- Gradual recovery of lost consumption
- Increased demand as development expands and occupancy of rental units increases

ACTIONS

- 12% rate increase effective 7/1/21 (1st rate increase since July 2019):
 - Estimated impact on the average quarterly water and wastewater bill: \$25
- Evaluate alternative billing models:
 - Implementation of a revised billing structure targeted for 7/1/22
- Multi-year adjustment to indirect expenses
- Consider revisions to the City’s Water and Sewer Discount policy to expand the eligibility criteria

ALTERNATIVES

- \$84 impact to the average property tax bill if the deficit is added to the levy

ATTACHMENTS

1. Multi-year Summary of Water & Sewer Tier Consumption
2. Comparison of 2019 to 2020 Usage Large Accounts
3. Billing Structures of MWRA Communities
4. FY21 Revenue Forecast
5. Long-term Financial Forecast

City of Framingham

Water Consumption Analysis by Tier

Water Tier 1		Year				
Month	2016	2017	2018	2019	2020	
January	80,822	81,475	82,336	81,098	80,795	
February	70,442	70,441	70,559	70,240	70,045	
March	73,373	72,680	72,368	73,910	72,663	
April	79,009	79,141	79,895	83,688	79,765	
May	69,913	68,903	69,217	69,043	70,022	
June	74,742	74,575	88,292	87,690	81,532	
July	84,097	82,781	83,958	82,036	85,431	
August	73,108	72,010	72,832	72,060	73,381	
September	75,308	74,811	73,985	75,165	76,654	
October	83,270	82,889	82,805	82,847	84,803	
November	71,473	71,603	71,485	71,113	73,171	
December	74,207	86,325	87,455	87,572	80,854	
Grand Total	909,764	917,634	935,187	936,462	929,116	

Water Tier 2		Year				
Month	2016	2017	2018	2019	2020	
January	32,339	31,559	32,232	29,291	29,122	
February	29,987	29,914	29,097	28,157	27,885	
March	36,985	36,670	34,707	33,119	34,118	
April	29,002	29,043	28,365	25,005	28,596	
May	27,717	26,322	25,883	25,833	29,383	
June	41,149	39,152	38,371	37,950	41,367	
July	44,087	36,043	38,619	33,106	47,966	
August	39,827	34,914	37,404	34,412	44,292	
September	45,554	41,830	41,890	41,045	46,478	
October	43,308	38,363	37,220	37,503	46,118	
November	34,723	33,420	31,667	31,971	37,588	
December	39,683	38,137	38,592	37,416	38,976	
Grand Total	444,361	415,367	414,047	394,808	451,889	

City of Framingham

Water Consumption Analysis by Tier

Water Tier 3		Year				
Month	2016	2017	2018	2019	2020	
January	6,751	6,344	6,537	5,591	5,605	
February	9,345	9,622	9,440	8,773	8,976	
March	13,510	13,710	13,401	11,550	12,203	
April	5,740	5,448	5,432	4,546	5,186	
May	9,164	8,459	8,589	8,134	8,930	
June	14,447	13,964	14,118	12,924	13,321	
July	12,790	7,993	9,359	6,834	14,499	
August	17,149	13,265	15,001	12,463	17,912	
September	18,894	16,556	16,713	15,551	18,336	
October	15,529	11,077	10,697	11,271	15,918	
November	13,445	12,572	11,442	11,895	14,431	
December	15,073	15,061	14,022	13,667	13,654	
Grand Total	151,837	134,071	134,751	123,199	148,971	

Water Tier 4		Year				
Month	2016	2017	2018	2019	2020	
January	22,640	23,269	23,595	22,391	22,316	
February	37,024	36,752	36,233	34,542	35,649	
March	50,451	51,686	51,207	50,103	51,681	
April	22,121	23,381	23,638	21,017	21,370	
May	37,829	35,328	37,002	33,343	31,432	
June	56,282	54,761	56,625	54,887	43,674	
July	28,222	25,013	25,344	23,785	26,110	
August	47,373	43,965	44,832	41,679	39,687	
September	62,056	57,021	58,578	58,578	51,579	
October	32,845	27,390	27,267	27,275	29,674	
November	44,519	43,215	40,878	40,559	39,462	
December	57,437	55,028	57,287	56,543	47,325	
Grand Total	498,799	476,809	482,486	464,702	439,959	

City of Framingham

Water Consumption Analysis by Tier

Water Tier 5 Month	Year				
	2016	2017	2018	2019	2020
January	20,645	22,769	21,129	16,769	19,666
February	25,712	21,612	22,057	17,960	17,928
March	23,853	24,355	22,706	18,313	21,459
April	16,881	27,249	23,237	18,881	16,530
May	23,840	21,473	22,116	19,988	14,622
June	31,708	31,244	34,212	27,960	19,742
July	32,563	29,676	28,877	24,310	23,727
August	33,731	30,842	29,729	28,663	25,803
September	35,178	35,149	32,851	30,492	22,497
October	25,467	26,936	24,091	22,571	18,913
November	25,531	25,840	23,108	20,292	15,858
December	27,820	23,902	26,718	23,601	15,987
Grand Total	322,929	321,047	310,831	269,800	232,732

Irrigation Usage Month	Year				
	2016	2017	2018	2019	2020
January	4,354	6,093	8,595	3,800	5,378
February	1,480	1,233	3,530	714	1,184
March	218	234	119	191	610
April	269	1,117	149	194	239
May	2,917	2,267	2,137	1,527	1,180
June	4,456	4,120	9,597	4,593	6,438
July	32,819	19,272	28,195	13,835	31,703
August	50,848	32,620	44,286	32,969	48,972
September	23,664	15,926	19,187	18,590	15,398
October	62,109	51,835	53,170	52,839	67,311
November	42,159	36,705	30,624	34,559	48,789
December	8,526	17,741	23,555	17,755	32,946
Grand Total	233,819	189,163	223,144	181,566	260,148

City of Framingham

Wastewater Consumption Analysis by Tier

Wastewater Tier 1		<u>Year</u>				
Month	2016	2017	2018	2019	2020	
January	77,690	78,361	79,146	77,916	77,629	
February	69,852	69,708	70,009	69,841	69,623	
March	72,965	72,249	71,929	73,507	72,299	
April	76,072	76,230	78,677	80,793	76,672	
May	69,294	68,012	68,704	68,657	69,551	
June	74,259	74,016	86,489	85,737	80,453	
July	80,814	79,493	80,711	78,834	82,119	
August	72,437	71,417	72,229	71,604	72,867	
September	74,896	74,158	73,580	74,701	75,637	
October	79,948	79,596	79,535	79,580	81,432	
November	70,831	70,801	71,000	70,665	72,705	
December	73,814	83,983	85,978	85,367	79,324	
Grand Total	892,872	898,024	917,987	917,202	910,311	

Wastewater Tier 2		<u>Year</u>				
Month	2016	2017	2018	2019	2020	
January	30,970	30,274	30,755	27,989	27,831	
February	29,769	29,748	28,920	28,070	27,791	
March	36,876	36,524	34,661	33,114	34,063	
April	27,946	27,982	27,220	24,018	27,530	
May	27,412	26,067	25,721	25,759	29,214	
June	40,992	38,914	38,266	37,888	41,266	
July	41,904	34,246	36,654	31,393	45,417	
August	39,256	34,410	36,922	33,950	43,760	
September	45,226	41,545	41,703	40,860	46,747	
October	40,900	36,300	35,233	35,454	43,658	
November	34,219	32,713	31,351	31,673	37,289	
December	39,571	37,914	38,516	37,306	38,761	
Grand Total	435,041	406,637	405,922	387,474	443,327	

City of Framingham

Wastewater Consumption Analysis by Tier

Wastewater Tier 3		Year				
Month	2016	2017	2018	2019	2020	
January	6,397	6,093	6,183	5,392	5,459	
February	9,229	9,657	9,415	8,766	9,009	
March	13,492	13,573	13,379	11,578	12,197	
April	5,616	5,345	5,159	4,428	5,126	
May	9,027	8,472	8,563	8,173	8,945	
June	14,389	13,847	13,989	12,897	13,306	
July	11,640	7,361	8,411	6,399	13,071	
August	16,493	12,886	14,480	12,074	17,300	
September	18,616	16,275	16,500	15,378	18,103	
October	13,825	9,867	9,353	10,038	14,196	
November	12,869	12,082	11,159	11,635	14,025	
December	15,011	14,912	13,988	13,622	13,504	
Grand Total	146,604	130,370	130,579	120,380	144,241	

Wastewater Tier 4		Year				
Month	2016	2017	2018	2019	2020	
January	22,631	23,322	23,634	22,560	22,297	
February	36,565	36,664	36,425	34,291	35,613	
March	50,825	51,812	51,482	50,108	51,084	
April	22,317	23,401	23,712	21,032	21,296	
May	37,135	35,567	36,310	33,090	30,895	
June	56,707	54,134	56,802	54,885	43,373	
July	27,554	24,604	24,857	23,655	24,525	
August	45,744	43,016	43,432	40,368	37,949	
September	61,400	56,935	57,812	58,454	51,191	
October	29,563	26,042	26,074	25,967	26,603	
November	42,982	42,072	39,820	39,832	38,158	
December	56,914	54,910	58,392	57,076	47,269	
Grand Total	490,337	472,479	478,752	461,318	430,253	

City of Framingham

Wastewater Consumption Analysis by Tier

Wastewater Tier 5		<u>Year</u>				
Month	2016	2017	2018	2019	2020	
January	21,175	22,901	21,196	16,986	19,370	
February	26,490	21,472	22,467	16,706	17,495	
March	24,497	24,466	23,195	17,451	21,076	
April	17,713	27,079	23,923	18,214	16,335	
May	23,828	21,578	21,971	19,723	14,591	
June	30,236	29,390	32,676	26,244	18,796	
July	29,972	26,141	25,365	20,913	18,767	
August	30,172	27,554	25,280	24,764	21,070	
September	32,215	32,777	29,002	28,485	19,513	
October	24,895	25,456	23,443	21,919	17,110	
November	26,009	25,653	23,589	19,469	14,508	
December	28,721	24,476	28,787	23,344	15,866	
Grand Total	315,923	308,943	300,894	254,218	214,497	

City of Framingham

Review of Top Utility Billing Accounts

January Through December

Account Name	Account Location	2019 Total Usage	2020 Total Usage	Percent Variance
NESTLES WATERS	105 PENNSYLVANIA AVE FR	46,357	49,121	6%
GENZYME CORPORATION	74 NEW YORK AVE FR	31,388	22,231	-29%
BISHOP GARDENS CONDOMINIUMS	1 BISHOP DR FR	20,581	19,767	-4%
THE TJX COMPANIES INC	750 COCHITUATE RD FR	17,864	8,754	-51%
GENZYME CORPORATION	74 NEW YORK AVE FR	14,205	13,042	-8%
GENZYME CORPORATION	55 NEW YORK AVE FR	12,592	13,182	5%
GENZYME CORPORATION	74 NEW YORK AVE FR	11,083	11,411	3%
306 APTS	1610 WORCESTER RD FR	11,012	11,893	8%
306 APTS	1610 WORCESTER RD FR	9,740	10,759	10%
LIFETIME FITNESS	490 OLD CONNECTICUT PATH	9,616	5,390	-44%
JACK ABBEY BREWERY	100 CLINTON ST FR	8,904	8,853	-1%

Comparison of Top Users

Account Name	Account Location	2019 Total Usage	2020 Total Usage	Percent Variance
AP WCP FRAMINGHAM OWNER LLC	1651 WORCESTER RD FR	9,313	3,357	-64%
BAYBERRY HILL ESTATES 042653	44-66 DINSMORE AVE FR	8,504	8,684	2%
	Total All	211,159	186,444	-12%

MWRA Community Information Water & Wastewater Billing Methods

Community	MWRA Service	Base Rate	# of Tiers	Base Rate + Some Consumption	# of Tiers	Flat Rate
Arlington	W/S	X	3			
Ashland	S	X	4			
Bedford	Partial W/S	X	2			
Belmont	W/S	X	2			
Boston	W/S			X	6	
Braintree	S	X	4			
Brookline	W/S	X	2			
Burlington	S			X	6	
Cambridge	Partial W/S		5			
Canton	Partial W/S	X	2			
Chelsea	W/S		3			
Chicpoe	W	X	2			
Clinton	W/S	X	5			
Dedham	Partial W/S			X	4	
Everett	W/S		6			
Framingham	W/S		5			
Hingham	S	X	2			
Holbrook	S	X	1			
Leominster	Partial W			X	2	
Lexington	W/S		3			
Lynn	Partial W		4			
Malden	W/S			X	4	
Marblehead	W	X	2			
Marlborough	Partial W					X
Medford	W/S					X 2
Melrose	W/S	X	2			
Milton	W/S			X	4	
Nahant	W					X
Natick	S		4			

Needham	Partial W/S	X	4					
Newton	W/S		4					
Northborough	Partial W	X	3					
Norwood	W/S	X	2					
Peabody	Partial W		4					
Quincy	W/S							X
Randolph	S	X	2					
Reading	W/S	X						X
Revere	W/S							X
Saugus	W				X	8		
Somerville	W/S		5					
Stoneham	W/S							X
Stoughton	Partial W/S	X	3					
Swampscott	W							X
Wakefield	Partial W/S							X
Walpole	S		4					
Waltham	W/S	X	4					
Watertown	W/S	X	3					
Wellesley	Partial W/S	X	5					
Westwood	Partial W/S				X	4		
Weymouth	S	X	2					
Wilbraham	W	X	3					
Wilmington	Partial W/S		4					
Winchester	Partial W/S	X	3					
Winthrop	W/S	X						X
Woburn	Partial W/S							X
Worcester	Partial W	X						X

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S=Sewer
W=Water
W/S= Water and Sewer

CITY OF FRAMINGHAM

WATER RATE ANALYSIS

	Forecasted		Forecasted
TIERS	FY21 USAGE	FY21 RATES	FY21 CHARGES
TIER 1	915,328	\$ 6.30	\$ 5,766,566
TIER 2	509,664	\$ 7.01	\$ 3,572,748
TIER 3	181,181	\$ 8.15	\$ 1,476,629
TIER 4	449,989	\$ 9.60	\$ 4,319,893
TIER 5	248,785	\$ 11.63	\$ 2,893,372
TOTAL USAGE	2,304,948		\$ 18,029,207
IRRIGATION	250,000	\$ 11.79	\$ 2,947,500
TOTAL WATER USAGE	2,554,948		\$ 20,976,707
CITY OWNED BUILDINGS			\$ 83,595
WATER DISCOUNT PROGRAM			\$ (62,000)
TOTAL WATER CHARGES			\$ 20,998,302

WASTEWATER RATE ANALYSIS

	Forecasted		Forecasted
TIERS	FY21 USAGE	FY21 RATES	FY21 CHARGES
TIER 1	898,116	\$ 8.18	\$ 7,346,585
TIER 2	499,588	\$ 8.43	\$ 4,211,525
TIER 3	173,539	\$ 11.33	\$ 1,966,198
TIER 4	434,637	\$ 16.21	\$ 7,045,461
TIER 5	225,297	\$ 23.54	\$ 5,303,481
TOTAL USAGE	2,231,176		\$ 25,873,251
CITY OWNED BUILDINGS			\$ 67,100
SEWER DISCOUNT PROGRAM			\$ (77,700)
SEWER FLAT FEES			\$ 31,979
TOTAL SEWER CHARGES			\$ 25,894,630
TOTAL WATER & SEWER BILLINGS			\$ 46,892,932
ESTIMATED REVENUE NEEDED FROM RATES			\$ 49,175,615
SHORTFALL			\$ (2,282,683)

**City of Framingham
 Combined Enterprise Funds
 FY2021 - FY2032 Financial Forecast**

Expenses:	FORECAST											
	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
MWRA	\$ 22,043,794	\$ 23,008,479	\$ 23,783,002	\$ 24,584,047	\$ 24,297,863	\$ 24,969,561	\$ 25,844,968	\$ 26,098,511	\$ 25,870,575	\$ 26,456,936	\$ 27,062,785	\$ 27,688,854
Debt Service	\$ 20,612,085	\$ 20,834,815	\$ 21,568,186	\$ 21,060,113	\$ 22,236,990	\$ 23,855,065	\$ 25,505,413	\$ 26,166,278	\$ 26,729,702	\$ 27,350,951	\$ 27,891,225	\$ 26,818,303
Operating Expenses (incl Small Capital)	\$ 9,510,168	\$ 9,753,764	\$ 9,955,006	\$ 10,156,407	\$ 10,366,608	\$ 10,577,087	\$ 10,796,660	\$ 11,016,641	\$ 11,246,024	\$ 11,475,953	\$ 11,715,603	\$ 11,955,945
Deficit Carryforward FY20	\$ 500,000	\$ 500,000	\$ 500,000									
Indirect Costs (2% increase annually)	\$ -	\$ 1,000,000	\$ 3,595,403	\$ 3,667,311	\$ 3,740,657	\$ 3,815,470	\$ 3,891,780	\$ 3,969,616	\$ 4,049,008	\$ 4,129,988	\$ 4,212,588	\$ 4,296,839
Total Expenses	\$ 52,666,047	\$ 55,097,059	\$ 59,401,596	\$ 59,467,879	\$ 60,642,118	\$ 63,217,183	\$ 66,038,821	\$ 67,251,046	\$ 67,895,309	\$ 69,413,828	\$ 70,882,200	\$ 70,759,940
Less: Revenue Sources/Offsets												
Additional Revenue-New Development	\$ 178,197	\$ 122,182	\$ 483,496	\$ 544,705	\$ 544,705	\$ 544,705	\$ 544,705	\$ 544,705	\$ 544,705	\$ 544,705	\$ 544,705	\$ 544,705
Miscellaneous Revenue Sources	\$ 742,552	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796	\$ 742,796
Inflow & Infiltration Fees	\$ 943,993	\$ 306,060	\$ 382,640	\$ 447,980	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Fire Service Fees	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324	\$ 603,324
Ashland Trunk Line Income	\$ 1,022,366	\$ 984,462	\$ 1,005,092	\$ 1,026,167	\$ 1,047,697	\$ 1,069,692	\$ 1,092,163	\$ 1,115,120	\$ 1,138,573	\$ 1,162,535	\$ 1,187,016	\$ 1,212,028
Total Estimated Misc. Revenue	\$ 3,490,432	\$ 2,758,824	\$ 3,217,348	\$ 3,364,972	\$ 2,988,522	\$ 3,010,517	\$ 3,032,988	\$ 3,055,945	\$ 3,079,398	\$ 3,103,360	\$ 3,127,841	\$ 3,152,853
Rate Revenue Required	\$ 49,175,615	\$ 52,338,235	\$ 56,184,248	\$ 56,102,906	\$ 57,653,596	\$ 60,206,665	\$ 63,005,833	\$ 64,195,101	\$ 64,815,911	\$ 66,310,468	\$ 67,754,359	\$ 67,607,088