

## SEWER COMMISSION WORKSHOP MINUTES

6:00 pm February 13, 2024

The Commission met in the DPW Conference Room as scheduled.

Attendees: Chair- John Reynolds, Vice-Chair- Brett Ramsden, Clerk- Mike Nault, Member-Dave MacDonald, DPW Director- Bill Bernard, Business Manager-Paula Bertram.

Chairman opened the meeting at 6:03 p.m., no public discussion.

Paula reviewed the various spreadsheets she compiled for the FY25 budget and five-year forecast with the Commission. Fitchburg's rate has increased 7% each year over the next five years and Leominster will increase 16.17% in FY25 and an additional 3% in FY26.

In order to upgrade some of the pump stations and keep them operating efficiently, capital expenditures over the next several years are anticipated to be approximately \$100,000 per year. Additionally, in order to comply with Leominster's new NPDES permit reporting requirements engineering costs are expected to rise. Inflow/Infiltration (I/I) into the system has increased significantly and funds will be necessary to identify the causes and to remove I/I.

The Commission reviewed the balances of revenue accounts at the close of 2023. Retained earnings \$2,232,978, Sewer Capital Reserve Stabilization \$145,964.73, Inflow/Infiltration \$9,986.63; Sewer Reserve Capacity \$7301.40. Based on current projections, it will be necessary to draw on retained earnings to supplement the budget through FY28.

The Commission discussed various rate increase scenarios and the financial impact to the rate payers. Currently the average residential customer pays \$233 per quarter and the average commercial customer pays \$2,194 per quarter. Paula noted that this is the average, some customers may pay less or substantially more.

In order to fund the budget for FY25 and beyond and to meet financial obligations to Fitchburg and Leominster, it was the consensus of the Board that a rate increase of 16% in FY25 is required. This equates to approximately \$10.00 per quarter for the average residential customer. Annual rate increases are estimated at 3% thereafter. The minimum rate should increase from \$115 to \$126 (800 cf).

Leominster is increasing Lunenburg's connection fee from \$750 to \$3,500 in FY25. The Commission discussed the appropriate fee for connection given the Leominster increase. Following discussion, it was the consensus that the connection fee should increase from \$2,250 to \$3,900 in FY25.

Mike Nault made a motion to increase the sewer rate by 16% in FY25, to change the connection fee to \$3,900 and to accept the FY25 budget. Mike Mackin seconded the motion. Motion passed unanimously.

At 8:00 pm Brett Ramsden made a motion to adjourn, seconded by Dave MacDonald, passed unanimously.

Respectfully submitted,

*Paula Bertram*