

PEPPERELL DEPARTMENT OF PUBLIC WORKS ENTERPRISE FUND RATE
HEARING MATERIALS

RATE HEARING JUNE 30, 2022

Attached please find information that was prepared in compliance with MGL 40N Section 9, which requires:

“No later than the date of such publication the commission shall make available to the public and deliver to the mayor and council its most recent financial statement, the proposed schedule of fees, rates and charges and its proposed operating and capital budgets for its next fiscal year.”

We have published a legal notice in the Lowell Sun for a Rate Hearing to be held on June 30, 2022. This information will be available to the public via placement on the Town’s website or at their request.

The rate schedules are all draft and are subject to review and approval by the Board of Public Works.

Page 1 of this document is the summary expenditures and revenues for each of the Enterprise Funds managed by the DPW.

Pages 2-4 are the approved budgets for the Water, Sewer and Stormwater Divisions.

The last four pages contain rate setting worksheets that will be used to determine the rates to be charged for next year. They each contain significant revisions in format and billing methodologies. While every effort has been made to present differing scenarios, each user must look at their own bill to determine the actual change to their individual bill.

As with all utilities, the DPW is challenged by significant increases in the costs of supplies, repairs, and utilities. On May 31st we were notified of a 30% increase in the cost of biosolids management that will go into effect in 2 months. This could not be anticipated or budgeted.

DPW FINANCIAL SUMMARY FY2021

7/22/2021

		FY 2021 Budget	FY 2021 Actual to Date	Balance
Sewer Expenditure	Labor	\$ 1,118,025.50	\$ 1,054,858.27	\$ 63,167.23
	Expenses	\$ 530,000.00	\$ 455,528.66	\$ 74,471.34
	Capital	\$ 125,000.00	\$ 92,381.37	\$ 32,618.63
	Debt	\$ 720,272.00	\$ 655,985.63	\$ 64,286.37
Sewer Revenue	Usage Charges	\$ 2,050,051.50	\$ 1,574,202.28	\$ 475,849.22
	Misc Revenue	\$ 118,800.00	\$ 253,916.67	\$ (135,116.67)
	Retained Earnings	\$ 140,000.00	\$ 42,522.61	
	Betterments/Debt Payments	\$ 226,746.00	\$ 306,609.41	\$ (79,863.41)
	Contract	\$ -	\$ 81,502.96	\$ (81,502.96)
BALANCE		\$0.00		
Water Expend	Labor	\$ 878,449.50	\$ 838,925.07	\$ 39,524.43
	Expenses	\$ 494,000.00	\$ 325,356.53	\$ 168,643.47
	Capital	\$ 125,000.00	\$ 76,428.10	\$ 48,571.90
	Debt	\$ 251,138.25	\$ 317,009.56	\$ (65,871.31)
Water Revenue	Usage Charges	\$ 1,779,588.15	\$ 1,955,019.92	\$ (175,431.77)
	Misc Revenue	\$ 32,000.00	\$ 114,550.21	\$ (82,550.21)
	Retained Earnings	\$ 118,000.00		\$ 118,000.00
BALANCE		\$511,850.87		
Transfer Expend	Labor	\$ 209,551.00	\$ 200,736.40	\$ 8,814.60
	Expenses	\$ 150,600.00	\$ 157,878.95	\$ (7,278.95)
	Capital	\$ -	\$ -	\$ -
Transfer Revenue	Stickers	\$ 109,000.00	\$ 109,610.00	\$ (610.00)
	Disposal	\$ 228,150.00	\$ 246,172.77	\$ (18,022.77)
	Other Revenue (Metal/Rec)	\$ 8,001.00	\$ 29,458.69	\$ (21,457.69)
	Retained Earnings	\$ 25,000.00	\$ -	
BALANCE		\$26,626.11		
SW Exp	Labor	\$ 77,097.00	\$ 77,677.31	\$ (580.31)
	Expenses	\$ 163,500.00	\$ 58,248.26	\$ 105,251.74
	Capital	\$ -	\$ -	\$ -
SW Rev	Fees	\$ 247,597.00	\$ 272,816.16	\$ (25,219.16)
	Retained Earnings	\$ 10,000.00		\$ 10,000.00
BALANCE		\$136,890.59		

FY 2023
Enterprise Funds Budget Summary

Department: Wastewater

Account	Account name	Department Request FY 2023
600-10500 Revenue		
41751	Sewer Late charge	
42101	Sewer Usage	\$1,520,000
42104	Utility Liens	
42106	Septage Fees	\$80,000
43216	Final Bills	
43217	Connection Fees	\$40,000
43219	Sewer Maint. Fees	
43799	Misc. Revenues	
44295	Permits	\$5,000
48214	Investment Income	\$2,500
49781	Betterments	\$210,995
42102	Sewer Usage - Groton	\$320,000
42107	Contract Charges - Groton	\$90,000
42702	Debt - Groton	\$150,000
49001	Retained Earnings	\$420,956
Total Revenue		\$2,839,451
600-44200 Expenses		
	Labor	\$700,848
	Expenses	\$681,300
	Capital	\$100,000
	Debt Service (Bettered FY 2023)	\$287,125
	Debt Service (Un-Bettered FY 2023)	\$604,729
	In-Direct	\$110,000
	Insurance & Retirement	\$355,450
	Budgeted Surplus	\$0
Total Expenses		\$2,839,451

FY 2023
Enterprise Funds Budget Summary

Department: Water

Revenue

Account 610-10500	Account name	Department Request FY 2023
	Tax Liens Redeemed	\$0
41752	Water Late Charge	\$10,000
42103	Water Usage Charge	\$2,089,000
42104	Utility Liens	\$0
42201	Service Entrances	\$27,500
42203	Backflow revenue	\$12,500
43216	Final Bills	\$4,000
43799	Misc Revenue	\$2,500
48110	Sale of Inventory	\$4,000
48214	Interest earned	\$2,500
49001	Retained Earnings	\$217,857
	Dunstable O&M Services	\$80,000
Total Revenue		\$2,449,857
Expenses:		
	Salary & Wages	\$587,535
	Expenses	\$601,000
	Capital	\$100,000
	Debt Service	\$794,013
	Insurance & Benefits	\$272,309
	Indirect Cost	\$95,000
	Budgeted Surplus	\$0
Total Expenses		\$2,449,857

FY 2023
Enterprise Funds Budget Summary

Department: Storm Water

Revenue

Account 630	Account name	Department Request FY 2023
	FY22 User Fees	\$240,000
	SW Ret Earnings	\$11,537
Total Revenue		\$251,537
Expenses:		
	Salary & Wages	\$41,537
	Expenses	\$119,000
	Capital	\$65,000
	Insurance & Benefits	\$3,500
	In Direct Cost	\$22,500
Total Expenses		\$251,537

FY 2023 Rate Setting Table

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Water Rates - Four Tier with Base Charge per Unit				
Item	Tier Use	Units per year	Rate	Total
Base Charge per Unit		16,400	\$ 30.00	\$ 492,000.00
Tier 1	0 - 800	11,788,310	\$ 0.0550	\$ 648,357.05
Tier 2	801 - 2300	8,539,243	\$ 0.0750	\$ 640,443.25
Tier 3	2301 - 5300	1,542,030	\$ 0.0950	\$ 146,492.85
Tier 4	5301+	985,776	\$ 0.1300	\$ 128,150.82
	Total	22,855,359		
TOTAL ANTICIPATED REVENUE				\$ 2,055,443.97
Change in Use	6%		Adjustment	\$ 2,096,552.84
Non-payment Factor	-4%			
REVENUE REQUIRED				\$ 2,089,000.00
DEFICIT/SURPLUS				\$7,552.84

	cf/yr	Delta %
FY23 projected	22,855,359	7%
FY22 sales	21,366,789	-15%
FY21 sales	25,210,639	14%
FY20 sales	22,194,969	-13%
FY19 sales	25,471,527	

Changes in Charges		Current Annual	Proposed Annual	Usage gpd	% increase	Annual Increase	Monthly Inc. per unit
SFR very low use	400 cf per quarter	\$ 185.28	\$ 208.00	33	12%	\$ 22.72	\$ 1.89
SFR low use	800 cf per quarter	\$ 250.56	\$ 296.00	66	18%	\$ 45.44	\$ 3.79
SFR high use	2000 cf per quarter	\$ 496.50	\$ 656.00	166	32%	\$ 159.50	\$ 13.29
SFR very high use	3500 cf per quarter	\$ 906.90	\$ 1,202.00	291	33%	\$ 295.10	\$ 24.59
Multi Unit very low use	12 units 400 cf/unit/qt	\$ 2,223.36	\$ 2,496.00	33	12%	\$ 272.64	\$ 1.89
Multi Unit low use	12 units 800 cf/unit/qt	\$ 3,006.72	\$ 3,552.00	66	18%	\$ 545.28	\$ 3.79
Multi Unit medium use	12 units 1500 cf/unit/qt	\$ 4,503.60	\$ 6,072.00	125	35%	\$ 1,568.40	\$ 10.89
Multi Unit high use	12 units 2500 cf/unit/qt	\$ 7,412.40	\$ 9,864.00	208	33%	\$ 2,451.60	\$ 17.03

Sewer Rate Setting Worksheet - Four Tier

Four Tier with Base Charge per Unit				
Item	Tier Use	Units per year	Rate	Total
Base Charge per Unit		10,168	\$ 30.00	\$ 305,040.00
Tier 1	800	7,072,986	\$ 0.0850	\$ 601,203.81
Tier 2	1500	5,123,546	\$ 0.1050	\$ 537,972.33
Tier 3	3000	925,218	\$ 0.1250	\$ 115,652.25
Tier 4	> 5300	591,465	\$ 0.1400	\$ 82,805.14
	Total	13,713,215		
TOTAL ANTICIPATED REVENUE				\$1,642,673.53
Change in Use	-2%		Adjustment	\$1,527,686.38
Non-payment Factor	-5%			
REVENUE REQUIRED				\$1,520,000.00
DEFICIT/SURPLUS				\$7,686.38

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Changes in Charges

User Type	Usage gpd	Current Annual	Proposed Annual	% increase	Annual Increase	Monthly Inc. per unit
SFR very low use	400 cf per quarter	\$ 438.52	\$ 256.00	-42%	\$ (182.52)	\$ (15.21)
SFR low use	800 cf per quarter	\$ 438.52	\$ 392.00	-11%	\$ (46.52)	\$ (3.88)
SFR high use	2000 cf per quarter	\$ 730.82	\$ 896.00	23%	\$ 165.18	\$ 13.77
SFR very high use	3500 cf per quarter	\$ 1,369.82	\$ 1,422.00	4%	\$ 52.18	\$ 4.35
Multi Unit very low use	12 units 400 cf/unit/qt	\$ 5,262.24	\$ 3,072.00	-42%	\$ (2,190.24)	\$ (15.21)
Multi Unit low use	12 units 800 cf/unit/qt	\$ 5,262.24	\$ 4,704.00	-11%	\$ (558.24)	\$ (3.88)
Multi Unit medium use	12 units 1500 cf/unit/c	\$ 6,314.40	\$ 8,232.00	30%	\$ 1,917.60	\$ 13.32
Multi Unit high use	12 units 2500 cf/unit/c	\$ 11,224.80	\$ 13,464.00	20%	\$ 2,239.20	\$ 15.55

Sewer Rate Setting Worksheet - Single Tier

Single Tier with Base Charge per Unit				
Item	Units per year	Rate	Total	
Base Charge per Unit	10,168	\$ 30.00	\$ 305,040.00	
Total metered cubic feet	13,713,215	\$ 0.0970	\$1,330,181.88	
TOTAL ANTICIPATED REVENUE			\$1,635,221.88	
Change in Use	-2%	Adjustment	\$1,520,756.35	
Non-payment Factor	-5%			
REVENUE REQUIRED			\$1,520,000.00	
DEFICIT/SURPLUS			\$756.35	

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Changes in Charges

User Type	Usage	Current Annual	Proposed Annual	Usage gpd	% increase	Annual Increase	Monthly Inc. per unit
SFR very low use	400 cf per quarter	\$ 438.52	\$ 275.20	33	-37%	\$ (163.32)	\$ (13.61)
SFR low use	800 cf per quarter	\$ 438.52	\$ 430.40	66	-2%	\$ (8.12)	\$ (0.68)
SFR high use	2000 cf per quarter	\$ 730.82	\$ 896.00	166	23%	\$ 165.18	\$ 13.77
SFR very high use	3500 cf per quarter	\$ 1,369.82	\$ 1,478.00	291	8%	\$ 108.18	\$ 9.02
Multi Unit very low use	12 units 400 cf/unit/qt	\$ 5,262.24	\$ 3,302.40	33	-37%	\$ (1,959.84)	\$ (13.61)
Multi Unit low use	12 units 800 cf/unit/qt	\$ 5,262.24	\$ 5,164.80	66	-2%	\$ (97.44)	\$ (0.68)
Multi Unit medium use	12 units 1500 cf/unit/qt	\$ 6,314.40	\$ 8,424.00	125	33%	\$ 2,109.60	\$ 14.65
Multi Unit high use	12 units 2500 cf/unit/qt	\$ 11,224.80	\$ 13,080.00	208	17%	\$ 1,855.20	\$ 12.88

2023 Stormwater Rate Setting Worksheet

<i>Class</i>					
Residential	Number of Units	Rate	Revenue		
Single Family Homes	3100	\$ 60	\$	186,000	
Condominiums	282	\$ 30	\$	8,460	
Multi-Family Units 2-6 units per structure	313	\$ 30	\$	9,390	
Apartments >6 units	335	\$ 30	\$	10,050	
Mobile Home Units in Community Settings	168	\$ 30	\$	5,040	
 Non-Residential					
1-2 ERUs	54	\$ 60	\$	3,240	
3-5 ERUs	40	\$ 120	\$	4,800	
6-10 ERUs	28	\$ 240	\$	6,720	
11-20 ERUs	18	\$ 480	\$	8,640	
21+ ERUs	18	\$ 960	\$	17,280	
			Total Revenue	\$	259,620
			Total Revenue Required	\$	251,537
				Delta	\$8,083