

  
Carl L. Jay S. Butch B. Dave M. Mike N

TOWN OF LUNENBURG  
SEWER COMMISSION  
520 CHASE RD.  
LUNENBURG, MA. 01462

*approved at  
2/26/13  
mtg*

Minutes of February 5, 2013 Workshop held at the DPW Conference Room,

The workshop was called to order at 6:37 pm by Carl Luck, Chair, with Jay Simeone, Dave MacDonald, Butch B. and Mike Nault in attendance. Also present were: Jack Rodriquez, (DPW), John Male (FinCom), and Barb Lefebvre.

Barb had provided handouts of the proposed FY14 Budget. For the sake of discussion of possible costs, the proposed transfer to Retained Earnings was at \$204,943.66. It was the task of the meeting to review the budget and reduce that amount.

Barb started with the revenues, stating that we are currently at 673 customers, and we are proposing an additional 40 in FY14. 2 would be Fitchburg flow, 8 would be Leominster flow plus an estimated 30 additional Leominster flow customers that come from Emerald Place. Emerald Place is broken out since they have already paid their connection fees and cannot be figured into the estimated revenues for connection.

Outsourcing line item used a general assumption of \$100,000 cost. Discussion took place regarding the savings from personnel and Vehicle maintenance, and the proposed cost of Outsourcing, including the 'outside coverage hours' period, not included in the proposals. Fringe benefits line may be adjusted. Barb will talk with Kerry. It has been low for a while and due for an increase, but by taking Corey out of the budget, there may be a reduction.

Engineering services include the I/I project of \$65,000 for the home inspections to discover illegal connections. Also to be considered are the replacement of clay pipes of the old Leominster sewer that could exist between the home and the PVC stub which was installed from the main to the property line when sewers were laid. These factors could contribute to the I/I issue in the Whalom area for which Weston & Sampson proposed the \$65k project. Jack pointed out that we are overdue to commence paying Leominster based on flow meter readings, and this project cannot be put off. Luckily Leominster hasn't pushed us on it, because it will bankrupt the Sewer Enterprise. Roger Brooks (Leominster DPW) is retiring in 3 years. Dave stated that since they hadn't yet made the switch over, we could put off the project for FY14.

Capital cost for Fitchburg was discussed, and John Male suggested that, even if Fitchburg commences the work on John Fitch Highway in the summer, we would probably not be billed for a year – outside of current budget period. It should come out of Retained Earnings anyway by vote at Town Meeting, and not included as part of operating costs. The capital estimate of \$66K was removed. Carl pointed out that that cost will not go away, and we must keep it in mind.

Commission discussed raising connection fees to \$2250 since Fitchburg is proposing a connection fee of \$2000 and it was determined that it would be applied to all customers, not just Fitchburg connections. \$250 should cover Lunenburg's costs of inspection and administration. The Commission also discussed raising Drain Layers License fee. Corey had stated at one time that some towns add in for I/I remediation \$150-200. Commission agreed we could double the fee to \$100. Connection fees will increase 7/1/13 – and we could advertise the increase, encouraging people to sign up before then. Carl reviewed for Jack another motivator discussed previously on illegally connected customers and we could combine them all in a newspaper article to encourage connections prior to these rate increases.

Discussion turned to raising other rates to cut the deficit – we had a 49% increase in 2011 from Fitchburg which generated the 20% increase last year – effective 1/1/12. Leominster then passed along a 19% increase effective 4/1/12 which we haven't responded to. Dave suggested an automatic mechanism and Commission discussed their options. Last year we didn't increase the minimum to help the small usage user. We could increase that this year to the standard rate of 9.72/cf or \$97.20 (an increase of \$16.20/qtr). Barb noted she had 80+

customers that that would apply to. If we were to change the minimum to \$97.20 for 1000cf or less, we increase revenues by \$5k. We also could increase the rate by 10%  $\$97.20 + \$9.72 = \$106.92$ . Barb will work out the rate increase and its impact, and do a 2<sup>nd</sup> proposed budget with an incremental rate increase to see what is enough so that no transfer is required from Retained Earnings. She'll work up the numbers to send out to the Commission for discussion at the next meeting. Butch inquired as to what Leominster and Fitchburg charge for their minimum. Carl asked Barb to determine how much of our volume is Commercial if we were to charge a different rate.

The Commission reviewed Engineering Services again and the I/I project and determined that we can do a portion of the project, not the entire \$65K – Jack will talk to Weston & Sampson for a new project, limited in scope, and get a new price. We left Engineering Services at \$60k (down from \$90k) for the possible overtime outsourcing costs and a limited I/I project, and reduced the Infrastructure by \$10k in the hopes that the Outsourcing contractor will cover some of the proposed costs.

Carl asked for a motion to adjourn, Butch made the motion, Mike seconded. Vote taken was unanimous. Meeting was adjourned at 8:52pm.

**Respectfully submitted,**

**Barbara Lefebvre  
Sewer Business Manager**