

**Board of Selectmen
Minutes
May 18, 2017 at 8:00 PM
Town Hall Conference Room**

Present: Selectman Cicolini, Selectman D'Eon, Selectman Vice-Chair Brazis, Selectman Chair Debra Panetta, Town Manager Scott Crabtree, and Wendy Hatch, Finance Director & Treasurer/Collector

The meeting began at 8:08 PM. It began a little late since the Board was waiting for the Finance Committee to finish their portion of the meeting.

The Chair thanked the Finance Committee for allowing the Board of Selectmen to join their meeting to listen to and take action on the sewer rates.

The Town Manager stated that the Water Enterprise account is in better shape than sewer. Water has had rate increased over the years, but the sewer has had 7-8 years out of the last 10 with no rate increase. The ACO mandated capital was \$30M, with another \$4.3M for the Lincoln Ave. pumping station. He explained that we have been supplementing the sewer account with retained earnings. Water and sewer fluctuate on whether we have a hot or cold summer. The more usage, the more revenue the town receives. The Town Manager stated that we need to set a goal for retained earnings. For forecasting and predictability, we need to look at the capital needs. He mentioned that the Board of Selectmen are voting for only this year.

Matt Abrahams from the Abrahams Group gave us an update on the water and sewer rates. He reviewed a presentation (attached), where he discussed the baseline of "doing nothing," and four options. The revenue and expense for each scenario was reviewed, with a focus on specific retained earnings of 10% - 15% as part of a 5 year analysis. He reminded everyone that the sewer rates increased 7.5% last year.

The Town Manager explained that we have a tiered water system. In the future, we may want to look at a different tiered system.

The Chair asked how many users are Tier 1. The Town Manager said that the majority of the users are tier 1 (over 50%). When the larger users reduce usage while conserving, the lower uses need to pay more. Capital for the sewer system has been more aggressive due to the ACO consent order. The Town Manager stated that nobody did this type of analysis 10 years ago.

The Chair asked in the Town manager had a recommendation. He recommended either Option 2 or 3. However, by going with a lower increase, we'd have to be more aggressive in future years. He understands the sensitivity of this increase with the new Middle/High School vote. He explained that the reason for the ACO consent order was because we were pumping into the river due to a faulty system. He feels strongly that we need to invest in our systems, and suggested that a separate water and sewer commission might be something to consider in the future.

Selectman D'Eon asked the members how they felt about a 2.5% increase vs. a 5% increase. Selectman Cicolini stated that it was critical to have retained earnings. He asked the Town Manager to work with the DPW Director to discuss the I&I rates and perhaps delaying some of the capital work. He feels strongly that he would not consider an 18% increase next year. He will support an increase as low as possible this year. June 20th is a big day, so he will support a 2.5% increase.

Selectman Brazis expressed concern about the pumping station. He likes Option 2. The inactivity over the years puts this Board in a difficult position. He was concerned that the town would be in a deficit. Selectman Cicolini explained that this is a banner year, and stated that he couldn't support more than a 2.5%. Selectman D'Eon said that it was tight, but she agreed with Selectman Cicolini on the 2.5% increase. Selectman Panetta stated that she would support the 2.5% increase.

Vote:

Selectman Cicolini moved to increase the FY '18 Sewer rates by 2.5%.

Seconded by the Chair.

Voted: 3 in Favor, 1 Opposed (Selectman Brazis)

The Chair thanked everyone for attending.

Vote:

Selectman Brazis made a motion to adjourn.

Seconded by the Chair

Voted: 4 in Favor, 0 Opposed

Meeting adjourned: 8:53 PM

Note: The Finance Committee continued their meeting.

Town of Saugus FY 2018 Water and Sewer Rates Update

The Abrahams Group
May 2017

Background

- 9,400 water and 8,500 sewer connections
- The Town has increased rates in recent years. The use of retained earnings has mitigated larger rate increases over past several years.
- The Town has begun addressing additional capital infrastructure or equipment, but more needs will be addressed in the near future.

Objectives

The Town would like to develop a rate plan that would:

- Eliminate shortfalls.
- Eliminate using retained earnings to supplement the operating budget.
- Fund new capital infrastructure and equipment over the next five years.
- Project resulting retained earnings balance to be a generally accepted benchmark (10 – 25% of the operating budget).

Methodology

- Present baseline or the “Do Nothing” scenario that contains projections with no rate increases.
- Present multiple rate scenarios with targeted projected retained earnings balance:
 - 10%
 - 15%
- Focus on an FY18 water and sewer rate increase based upon a five-year analysis.

Last Year's Analysis

- While targeting similar retained earning balances as has been done with this year's study, water rates were increased by 9.5% and sewer rates were increased by 7.5% for FY 2017.
- Each increase was part of a multi-year plan to achieve the Town's rates-setting objectives.
The plans were:

	Water Rate Increases		Sewer Rate Increases	
	Recommended	Adopted	Recommended	Adopted
FY 2017	9.5%	9.5%	10.8%	7.5%
FY 2018	9.5%	9.5%	10.8%	12.9%
FY 2019	9.5%	9.5%	10.8%	12.9%
FY 2020	4.8%	4.8%	10.8%	12.9%
FY 2021	4.8%	4.8%	7.7%	4.1%

Changes from Last Year's Analysis

- Water projections are more positive than they were in last year's analysis. The main reasons are due to recent dry summers, especially the summer of 2016, and a better handle on timing of expected debt from upcoming capital projects.
- Sewer projections are similar to what they were in last year's analysis. Dry summers do not impact sewer revenues nearly as much as they do water revenues. Sewer's capital plan shows substantial capital improvements planned for the near future, which will incur additional debt.

Water FY 2017 Review

FISCAL YEAR 2017	May 2016	May 2016	May 2017
WATER ENTERPRISE	Recommended 9.5%	Voted 9.5%	Projected 9.5%
FUND REVIEW	FY 2017	FY 2017	FY 2017 to date
Revenues	\$ 6,029,066	\$ 6,029,066	\$ 6,532,764
Retained Earnings Planned	\$ 391,381	\$ 391,381	\$ 391,381
Total Revenues and Available Funds	\$ 6,420,447	\$ 6,420,447	\$ 6,924,145
Expenditures	\$ 6,420,447	\$ 6,420,447	\$ 6,313,338
Surplus/(Deficit)	\$ 0	\$ 0	\$ 610,807
Retained Earnings Projections			
Retained Earnings at Start of FY 2017	\$ 551,873	\$ 551,873	\$ 726,649
Retained Earnings Planned for FY 2017	\$ (391,381)	\$ (391,381)	\$ (391,381)
Surplus/(Deficit) Current FY 2017	\$ 0	\$ 0	\$ 610,807
Projected Retained Earnings at End of FY	\$ 160,492	\$ 160,492	\$ 946,075
Retained Earnings as % of Oper. Budget	2.50%	2.50%	14.99%
Retained Earnings at the start of FY 2017 projected in May 2016; certified amount known in May 2017.			

Water Baseline

Description	Budgeted FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022
Total Revenues and OFS	\$ 6,472,805	\$ 6,472,805	\$ 6,472,805	\$ 6,472,805	\$ 6,472,805
Total Expenditures and OFU	\$ 6,504,844	\$ 6,639,170	\$ 6,997,872	\$ 7,075,507	\$ 7,650,216
Excess (Deficiency)	\$ (32,040)	\$ (166,366)	\$ (525,068)	\$ (602,702)	\$ (1,177,412)
Retained Earnings Summary FY18-FY22					
RE at start of FY	\$ 946,075	\$ 914,035	\$ 747,669	\$ 222,602	\$ (380,101)
Current Year Surplus (Deficit)	\$ (32,040)	\$ (166,366)	\$ (525,068)	\$ (602,702)	\$ (1,177,412)
Projected Retained Earnings Balance	\$ 914,035	\$ 747,669	\$ 222,602	\$ (380,101)	\$ (1,557,512)
Retained Earnings % of Expenditures	14.1%	11.3%	3.2%	-5.4%	-20.4%
Retained Earnings FY16/FY17					
Certified Retained Earnings June 30, 2016	\$ 726,649				
Retained Earnings Used FY2017	\$ (391,381)				
Projected FY17 Surplus (Deficit)	\$ 610,807				
Projected Retained Earnings June 30, 2017	\$ 946,075				

- Water planned expenditures exceed planned revenues, resulting in a shortfall in each of the five fiscal years.
- Projections show that retained earnings can cover shortfalls through FY 2020, but not beyond.
- A water rate increase is needed to eliminate the shortfalls and provide a reasonable retained earnings balance.

Water Option 1 – Variable Rate Increases

Target 15% Retained Earnings

Option 1 would increase rates annually as shown on the right. It would eliminate all shortfalls, result in positive retained earnings balance in each year of the five years, 15% retained earnings in FY22, and would impact users as shown below.

Updated Rates	
Year	Rate Incr %
FY2018	3.00%
FY2019	3.00%
FY2020	3.00%
FY2021	2.00%
FY2022	2.00%

User Impact	Usage / Bill	FY17 Bill	FY18		FY19		FY20	
			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 87	\$ 89	\$ 3	\$ 92	\$ 3	\$ 95	\$ 3
Tier 2 User	3,000	\$ 133	\$ 137	\$ 4	\$ 141	\$ 4	\$ 145	\$ 4
Avg. Residential User	4,362	\$ 217	\$ 223	\$ 6	\$ 230	\$ 7	\$ 237	\$ 7
Avg. Commercial User	24,527	\$1,922	\$ 1,979	\$ 58	\$ 2,039	\$ 59	\$ 2,100	\$ 61

User Impact	Usage / Bill	FY17 Bill	FY21		FY22		FY22/FY17	
			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 87	\$ 96	\$ 2	\$ 98	\$ 2	\$ 98	\$ 12
Tier 2 User	3,000	\$ 133	\$ 148	\$ 3	\$ 151	\$ 3	\$ 151	\$ 18
Avg. Residential User	4,362	\$ 217	\$ 241	\$ 5	\$ 246	\$ 5	\$ 246	\$ 30
Avg. Commercial User	24,527	\$1,922	\$ 2,142	\$ 42	\$ 2,185	\$ 43	\$ 2,185	\$ 263

Water Option 2 – Variable Rate Increases

Target 10% Retained Earnings

Option 2 would increase rates annually as shown on the right. It would eliminate all shortfalls, result in positive retained earnings balance in each year of the five years, 10% retained earnings in FY22, and would impact users as shown below.

Updated Rates	
Year	Rate Incr %
FY2018	3.00%
FY2019	2.00%
FY2020	2.00%
FY2021	2.00%
FY2022	3.00%

User Impact		FY17		FY18		FY19		FY20	
		Usage / Bill	Bill	Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
User Example									
Tier 1 User		2,000	\$ 87	\$ 89	\$ 3	\$ 91	\$ 2	\$ 93	\$ 2
Tier 2 User		3,000	\$ 133	\$ 137	\$ 4	\$ 139	\$ 3	\$ 142	\$ 3
Avg. Residential User		4,362	\$ 217	\$ 223	\$ 6	\$ 228	\$ 4	\$ 232	\$ 5
Avg. Commercial User		24,527	\$1,922	\$ 1,979	\$ 58	\$ 2,019	\$ 40	\$ 2,059	\$ 40
User Impact		FY17		FY21		FY22		FY22/FY17	
		Usage / Bill	Bill	Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User		2,000	\$ 87	\$ 95	\$ 2	\$ 97	\$ 3	\$ 97	\$ 11
Tier 2 User		3,000	\$ 133	\$ 145	\$ 3	\$ 149	\$ 4	\$ 149	\$ 17
Avg. Residential User		4,362	\$ 217	\$ 237	\$ 5	\$ 244	\$ 7	\$ 244	\$ 27
Avg. Commercial User		24,527	\$1,922	\$ 2,100	\$ 41	\$ 2,164	\$ 63	\$ 2,164	\$ 242

Water Option 3 – Level Rate Increases

Target 10% Retained Earnings

Option 3 would increase rates annually as shown on the right. It would eliminate all shortfalls, result in positive retained earnings balance in each year of the five years, 10% retained earnings in FY22, and would impact users as shown below.

Updated Rates	
Year	Rate Incr %
FY2018	2.50%
FY2019	2.50%
FY2020	2.50%
FY2021	2.50%
FY2022	2.50%

User Impact	Usage / Bill	FY17		FY18		FY19		FY20	
		Bill		Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 87		\$ 89	\$ 2	\$ 91	\$ 2	\$ 93	\$ 2
Tier 2 User	3,000	\$ 133		\$ 136	\$ 3	\$ 139	\$ 3	\$ 143	\$ 3
Avg. Residential User	4,362	\$ 217		\$ 222	\$ 5	\$ 228	\$ 6	\$ 233	\$ 6
Avg. Commercial User	24,527	\$1,922		\$ 1,970	\$ 48	\$ 2,019	\$ 49	\$ 2,069	\$ 50
User Impact	Usage / Bill	FY17		FY21		FY22		FY22/FY17	
		Bill		Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 87		\$ 95	\$ 2	\$ 98	\$ 2	\$ 98	\$ 11
Tier 2 User	3,000	\$ 133		\$ 146	\$ 4	\$ 150	\$ 4	\$ 150	\$ 17
Avg. Residential User	4,362	\$ 217		\$ 239	\$ 6	\$ 245	\$ 6	\$ 245	\$ 28
Avg. Commercial User	24,527	\$1,922		\$ 2,121	\$ 52	\$ 2,174	\$ 53	\$ 2,174	\$ 253

Sewer FY 2017 Review

FISCAL YEAR 2017	May 2016	May 2016	May 2017
SEWER ENTERPRISE	Recommended 10.8%	Voted 7.5%	Projected 7.5%
FUND REVIEW	FY 2017	FY 2017	FY 2017 to date
Revenues	\$ 3,888,691	\$ 3,782,816	\$ 3,852,184
Retained Earnings Planned	\$ 651,948	\$ 757,822	\$ 757,822
Total Revenues and Available Funds	\$ 4,540,639	\$ 4,540,638	\$ 4,610,006
Expenditures	\$ 4,540,638	\$ 4,540,638	\$ 4,540,639
Surplus/(Deficit)	\$ 0	\$ 0	\$ 69,367
Retained Earnings Projections			
Retained Earnings at Start of FY 2017	\$ 1,578,454	\$ 1,578,454	\$ 1,766,119
Retained Earnings Planned for FY 2017	\$ (651,948)	\$ (757,822)	\$ (757,822)
Surplus/(Deficit) Current FY 2017	\$ 0	\$ 0	\$ 69,367
Projected Retained Earnings at End of FY	\$ 926,506	\$ 820,632	\$ 1,077,664
Retained Earnings as % of Oper. Budget	20.40%	18.07%	23.73%
Retained Earnings at the start of FY 2017 projected in May 2016; certified amount known in May 2017.			

Sewer FY 2017 Impact

- FY 2017 projections shown in the FY 2017 Rate Study and in the FY 2018 Rate Study are presented in the following table:

FY 2017 Analysis	FY 2017 Study	FY 2018 Study
Total Revenues and OFS	\$ 4,540,638	\$ 4,610,006
Total Expenditures and OFU	\$ 4,540,638	\$ 4,540,639
Surplus/(Deficit)	\$ 0	\$ 69,367
Both revenue lines include \$757,822 in Retained Earnings		

- A 10.8% rate increase for FY 2017 was recommended as part of the FY 2017 Rate Study. A 7.5% rate increase was voted for FY 2017.

Sewer Baseline

Description	Budgeted FY 2018	Projected FY 2019	Projected FY 2020	Projected FY 2021	Projected FY 2022
Total Revenues and OFS	\$ 3,906,796	\$ 3,906,796	\$ 3,906,796	\$ 3,906,796	\$ 3,906,796
Total Expenditures and OFU	\$ 4,727,456	\$ 5,065,818	\$ 5,261,171	\$ 5,532,655	\$ 5,615,807
Excess (Deficiency)	\$ (820,660)	\$ (1,159,022)	\$ (1,354,375)	\$ (1,625,860)	\$ (1,709,011)
Retained Earnings Summary FY18-FY22					
RE at start of FY	\$ 1,077,664	\$ 257,003	\$ (902,019)	\$ (2,256,394)	\$ (3,882,253)
Current Year Surplus (Deficit)	\$ (820,660)	\$ (1,159,022)	\$ (1,354,375)	\$ (1,625,860)	\$ (1,709,011)
Projected Retained Earnings Balance	\$ 257,003	\$ (902,019)	\$ (2,256,394)	\$ (3,882,253)	\$ (5,591,264)
Retained Earnings % of Expenditures	5.4%	-17.8%	-42.9%	-70.2%	-99.6%
Retained Earnings FY16/FY17					
Certified Retained Earnings June 30, 2016	\$ 1,766,119				
Retained Earnings Used FY2017	\$ (757,822)				
Projected FY17 Surplus (Deficit)	\$ 69,367				
Projected Retained Earnings June 30, 2017	\$ 1,077,664				

- Sewer planned expenditures exceed planned revenues, resulting in a shortfall in each of the five fiscal years.
- Projections show that retained earnings can cover shortfalls through FY 2018, but not beyond.
- A sewer rate increase is needed to eliminate the shortfalls and provide a reasonable retained earnings balance.

Sewer Option 1 – Level Rate Increases

Target 10% Retained Earnings

Option 1 would increase rates annually as shown on the right. It would eliminate all shortfalls, result in positive retained earnings balance in each year of the five years, 10% retained earnings in FY22, and would impact users as shown below.

Updated Rates	
Year	Rate Incr %
FY2018	9.50%
FY2019	9.50%
FY2020	9.50%
FY2021	9.50%
FY2022	9.50%

User Impact		Usage /	FY17		FY18		FY19		FY20	
User Example		Bill	Bill	Bill	Diff \$	Bill	Diff \$	Bill	Diff \$	
Tier 1 User		2,000	\$ 66	\$ 73	\$ 6	\$ 80	\$ 7	\$ 87	\$ 8	
Tier 2 User		3,000	\$ 91	\$ 99	\$ 9	\$ 109	\$ 9	\$ 119	\$ 10	
Avg. Residential User		4,362	\$ 136	\$ 149	\$ 13	\$ 163	\$ 14	\$ 179	\$ 15	
Avg. Commercial User		24,527	\$1,264	\$ 1,384	\$ 120	\$ 1,515	\$ 131	\$ 1,659	\$ 144	
User Impact		Usage /	FY17		FY21		FY22		FY22/FY17	
User Example		Bill	Bill	Bill	Diff \$	Bill	Diff \$	Bill	Diff \$	
Tier 1 User		2,000	\$ 66	\$ 96	\$ 8	\$ 105	\$ 9	\$ 105	\$ 38	
Tier 2 User		3,000	\$ 91	\$ 131	\$ 11	\$ 143	\$ 12	\$ 143	\$ 52	
Avg. Residential User		4,362	\$ 136	\$ 196	\$ 17	\$ 214	\$ 19	\$ 214	\$ 78	
Avg. Commercial User		24,527	\$1,264	\$ 1,817	\$ 158	\$ 1,990	\$ 173	\$ 1,990	\$ 726	

Sewer Option 2 – Variable Rate Increases

Target 10% Retained Earnings

Option 2 would increase rates annually as shown on the right. It would eliminate all shortfalls, result in positive retained earnings balance in each year of the five years, 10% retained earnings in FY22, and would impact users as shown below.

Updated Rates	
Year	Rate Incr %
FY2018	5.00%
FY2019	15.00%
FY2020	12.00%
FY2021	7.25%
FY2022	7.25%

User Impact		Usage / Bill	FY17	FY18		FY19		FY20	
	User Example		Bill	Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
	Tier 1 User	2,000	\$ 66	\$ 70	\$ 3	\$ 80	\$ 10	\$ 90	\$ 10
	Tier 2 User	3,000	\$ 91	\$ 95	\$ 5	\$ 110	\$ 14	\$ 123	\$ 13
	Avg. Residential User	4,362	\$ 136	\$ 143	\$ 7	\$ 164	\$ 21	\$ 184	\$ 20
	Avg. Commercial User	24,527	\$1,264	\$ 1,327	\$ 63	\$ 1,526	\$ 199	\$ 1,709	\$ 183
User Impact		Usage / Bill	FY17	FY21		FY22		FY22/FY17	
	User Example		Bill	Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
	Tier 1 User	2,000	\$ 66	\$ 96	\$ 7	\$ 103	\$ 7	\$ 103	\$ 37
	Tier 2 User	3,000	\$ 91	\$ 132	\$ 9	\$ 141	\$ 10	\$ 141	\$ 50
	Avg. Residential User	4,362	\$ 136	\$ 197	\$ 13	\$ 212	\$ 14	\$ 212	\$ 76
	Avg. Commercial User	24,527	\$1,264	\$ 1,833	\$ 124	\$ 1,966	\$ 133	\$ 1,966	\$ 702

Sewer Option 3 – Rate Break FY 2018

Target 10% Retained Earnings

Option 3 would increase rates annually as shown on the right. It would eliminate all shortfalls, result in positive retained earnings balance in each year of the five years, 10% retained earnings in FY22, and would impact users as shown below.

Updated Rates	
Year	Rate Incr %
FY2018	2.50%
FY2019	18.50%
FY2020	12.00%
FY2021	7.00%
FY2022	7.00%

User Impact	Usage / Bill	FY17		FY18		FY19		FY20	
		Bill		Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 66	\$ 66	\$ 68	\$ 2	\$ 81	\$ 13	\$ 90	\$ 10
Tier 2 User	3,000	\$ 91	\$ 91	\$ 93	\$ 2	\$ 110	\$ 17	\$ 124	\$ 13
Avg. Residential User	4,362	\$ 136	\$ 136	\$ 139	\$ 3	\$ 165	\$ 26	\$ 185	\$ 20
Avg. Commercial User	24,527	\$1,264	\$1,264	\$ 1,295	\$ 32	\$ 1,535	\$ 240	\$ 1,719	\$ 184

User Impact	Usage / Bill	FY17		FY21		FY22		FY22/FY17	
		Bill		Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 66	\$ 66	\$ 97	\$ 6	\$ 103	\$ 7	\$ 103	\$ 37
Tier 2 User	3,000	\$ 91	\$ 91	\$ 132	\$ 9	\$ 141	\$ 9	\$ 141	\$ 51
Avg. Residential User	4,362	\$ 136	\$ 136	\$ 198	\$ 13	\$ 212	\$ 14	\$ 212	\$ 76
Avg. Commercial User	24,527	\$1,264	\$1,264	\$ 1,840	\$ 120	\$ 1,968	\$ 129	\$ 1,968	\$ 705

Sewer Option 4 – Rate Break FY 2018

Target 15% Retained Earnings

Option 4 would increase rates annually as shown on the right. It would eliminate all shortfalls, result in positive retained earnings balance in each year of the five years, 15% retained earnings in FY22, and would impact users as shown below.

Updated Rates	
Year	Rate Incr %
FY2018	2.50%
FY2019	18.50%
FY2020	12.00%
FY2021	8.75%
FY2022	8.75%

User Impact	Usage / Bill	FY17 Bill	FY18		FY19		FY20	
			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 66	\$ 68	\$ 2	\$ 81	\$ 13	\$ 90	\$ 10
Tier 2 User	3,000	\$ 91	\$ 93	\$ 2	\$ 110	\$ 17	\$ 124	\$ 13
Avg. Residential User	4,362	\$ 136	\$ 139	\$ 3	\$ 165	\$ 26	\$ 185	\$ 20
Avg. Commercial User	24,527	\$1,264	\$ 1,295	\$ 32	\$ 1,535	\$ 240	\$ 1,719	\$ 184
User Impact	Usage / Bill	FY17 Bill	FY21		FY22		FY22/FY17	
			Bill	Diff \$	Bill	Diff \$	Bill	Diff \$
Tier 1 User	2,000	\$ 66	\$ 98	\$ 8	\$ 107	\$ 9	\$ 107	\$ 40
Tier 2 User	3,000	\$ 91	\$ 134	\$ 11	\$ 146	\$ 12	\$ 146	\$ 55
Avg. Residential User	4,362	\$ 136	\$ 201	\$ 16	\$ 219	\$ 18	\$ 219	\$ 83
Avg. Commercial User	24,527	\$1,264	\$ 1,870	\$ 150	\$ 2,033	\$ 164	\$ 2,033	\$ 770

TOWN OF SAUGUS PROPOSED WATER AND SEWER CAPITAL 5-YEAR CAPITAL IMPROVEMENTS - Fiscal Year 2018

PROPOSED SEWER ENTERPRISE FUND PROJECTS

CC#	Description	Priority	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
DPW-30	Backhoe	1	\$ 135,000.00						\$ -
	Private I & I Abatement	1	\$ 181,500.00						\$ -
Pump-2	Pump station (sewer)- holding tank replacement	1	\$ 250,000.00						\$ -
	Pumping Station replacements (3)	1	\$ 1,047,000.00						\$ -
DPW-33	Sewer Rehabilitation	1	\$ 5,200,000.00					\$ 2,000,000.00	\$ 2,000,000.00
	Jetting Vacuuming Machine	1		\$ 500,000.00					\$ 500,000.00
Pump	Lincoln Avenue Lift Station Design & Improvements	1		\$ 4,300,000.00					\$ 4,300,000.00
Sub-Total			\$ 6,813,500.00	\$ 4,800,000.00	\$ -	\$ -	\$ -	\$ 2,000,000.00	\$ 6,800,000.00

A portion of this to be funded through the Mass Clean Water Trust

Fiscal Year 2018 includes an authorization of equipment and Lincoln Avenue capital improvements.

The equipment will be purchased in FY18 with debt service and interest due in FY19.

The Lincoln Avenue lift station capital improvements total \$4.2m with \$1m to be borrowed in FY18 with debt service & interest due in FY20. The remaining \$3.2 will be issued in FY19 with debt service due in FY20.

PLANNED BORROWINGS, BASED ON AUTHORIZATIONS AND PLAN

BORROWED

CC#	Description	Priority	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
DPW-30	Backhoe	1	\$ 135,000.00						\$ -
	Private I & I Abatement	1	\$ 181,500.00						\$ -
Pump-2	Pump station (sewer)- holding tank replacement	1	\$ 250,000.00						\$ -
	Pumping Station replacements (3)	1	\$ 200,000.00	\$ 847,000.00					\$ 847,000.00
DPW-33	Sub-Area 4B and Lift Station	1	\$ 439,614.00	\$ 3,104,102.00	\$ 1,656,284.00			\$ 2,000,000.00	\$ 6,760,386.00
	Jetting Vacuuming Machine	1					\$ 500,000.00		\$ 500,000.00
Pump	Lincoln Avenue Lift Station Design & Improvements	1		\$ 2,200,000.00		\$ 2,100,000.00			\$ 4,300,000.00
Sub-Total			\$ 1,206,114.00	\$ 6,151,102.00	\$ 1,656,284.00	\$ 2,100,000.00	\$ 500,000.00	\$ 2,000,000.00	\$ 12,407,386.00

A portion of this to be funded through the Mass Clean Water Trust