



**TOWN OF MAYNARD**  
**Department of Public Works**  
**MUNICIPAL BUILDING**

195 Main Street  
Maynard, MA 01754  
Tel: 978-897-1317 Fax: 978-897-7290  
www.townofmaynard-ma.gov

*Justin DeMarco*  
*Director of Public Works*

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*Administration Cemetery & Parks Facilities Highway Water & Sewer WWTP*

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**Memorandum**

To: Board of Selectman  
From: Justin DeMarco, DPW Director  
CC: Greg Johnson, Town Administrator  
Date: February 1, 2020  
Subject: Water & Sewer Rate Adjustment

Recommended Action:

Motion to approve an increase to the price of the Town of Maynard's water and sewer utility-use rates, in accordance with proposed Scenario #1 as listed in Exhibit A, effective July 1<sup>st</sup>, 2020.

Background:

Given the current financial environment of the community in conjunction with the age and condition of the water and sewer utility, the need to review and adjust rates on a regular basis is necessary. Services such as water and sewer utilities should be financially stable, allowing the department to produce a consistent and reliable utility.

Town staff seek to meet the current and future needs of the community, as cited in recently developed policies offered by the Board of Selectmen and the Master Plan Steering Committee.

The Board of Selectmen's Fiscal Year 2020 Goals include:

5. Develop financial policies for general fund and enterprise funds' long-range planning and guide the deliberation on the use of resources, including White Pond.
6. Approve the Master Plan and incorporate the Master Plan into planning and long-term vision.

The town's draft Master Plan includes the following:

Public Facilities and Services (PFS) Goal 1-3: "Develop and implement a phased (short-, mid-, and long-term) capital plan specific to the Town's water production, storage, and distribution infrastructure."

PFS Goal 2-1: "Develop and implement a phased (short-, mid-, and long-term) capital plan specific to the Town's wastewater infrastructure."

The Board of Selectmen serve as the “commissioners” of the water and sewer enterprises, and as such, approve those utilities’ rates. The last rate adjustment was presented and approved in December of 2017. Our consultants recommend continuing with a three-year audit. This recommendation is also subject to adjustments needed to follow the town’s water and sewer capital improvement plan. As the capital improvement plan adjusts to the complexities of the utility system, the enterprise fund will be reviewed and adjust as needed to meet those goals. The same can be said for water & sewer capacity situations as it relates to the town’s production and treatment processes.

Enterprise funding analysis:

The Department of Public Works (DPW) in conjunction with the town’s Finance Director, Treasurer/Collector, and “subject matter expert” Pioneer Consulting developed and analyzed the two proposed rate scenarios listed on Exhibit A.

Analysis consisted of the following:

- Current & Past water use rates
- Current & Past financial trends
  - o Revenue
  - o Expenditure
  - o Debt
  - o Exemptions
- Water & Sewer Capacity
- Water & Sewer Capital improvement plan
- Wastewater Treatment Plant Capital Improvement plan
- Current & Future development
- Comparable water district rates

Impact:

The Town of Maynard’s average water and sewer use rates fall within the 1,500 cubic feet (cf) – 2,500 cf range, with some users in the low range 500 cf, and others over 5,000 cf per quarter.

Maynard uses a “tiered” water & sewer rate system, and the average financial impact to households will roughly equate to the following:

- o 1,500 cf of use: additional cost:
  - Per year = \$158.80
  - Per quarter = \$39.70
  - Per month = \$13.22
- o 2,000 cf of use: additional cost:
  - Per year = \$226.20
  - Per quarter = \$56.55
  - Per month = \$18.85
- o 2,500 cf of use: additional cost:
  - Per year = \$293.60

- Per quarter = \$73.40
- Per month = \$24.46

This recommendation will not increase the minimum use range of 0-500 cf. This range is typically your senior population water and sewer utility customer.

Pioneer Consulting Group recommends reserve funding at a minimum of 50% of annual direct operating cost and debt service which equates to the following:

#### Recommended

- water: \$1,000,000
- sewer: \$1,500,000

#### Current

- water: (balance as of 6/30/2019 \$398,964)
- sewer: (balance as of 6/30/2019 \$910,608)

This rate increase will pay for the final stage of onboarding and utilizing the new well source: “4A” (0.35 MGD), located behind Fowler middle school.

This rate increase will start the permitting and piloting program for the addition of the last remaining Rockland well expansion at a projected yield of (0.22 MGD).

This rate change will allow for the development of two vital sewer models

1. Loads and Flow; Analysis related to the amount of material and rate of sewage
2. Bio-Winn; Model to predict impact of future development on treatment capacity

Each will work in tandem to allow the town to properly determine its sewer capacity for both current and future capabilities regarding the town’s wastewater treatment plant.

This rate change will not provide a funding mechanism for the following: redesign and construction of Old Marlborough Road water treatment facility to re-activate closed well #3 (0.5 MGD); or, a Whites Pond piloting and permitting process at a projected yield of (1.0 MGD)

#### Outreach Process

Inform residents through Website, Facebook, Hyper-Reach, published local papers, memo placed in water & sewer bill prior to adoption.

## Exhibit A

**TOWN OF MAYNARD, MA**  
**Current vs Proposed Rates & Charges**  
**Water Division**

Exhibit 1

	Current Rates FY 2020	Scenario #1			Scenario #2		
		Proposed #1 3 Year Ave Rate FY 2021 - FY 2023	Dollar Increase	Percentage Increase	Proposed #2 3 Year Ave Rate FY 2021-2023	Dollar Increase	Percentage Increase
<b>IN TOWN CUSTOMERS</b>							
<b>Minimum Charge - Quarterly - Includes 0 CF</b>	\$20.00	\$20.00	(\$0.00)	0.00%	\$25.00	\$5.00	25.00%
<b>Meter Water Charges - Quarterly - per 100 CF</b>							
1st Step 1-500 CF	\$2.70	\$3.02	\$0.32	11.85%	\$2.94	\$0.24	8.89%
2nd Step 501-1,000 CF	\$6.84	\$8.03	\$1.19	17.40%	\$7.59	\$0.75	10.96%
3rd Step 1,001-2,500 CF	\$7.35	\$8.71	\$1.36	18.50%	\$8.38	\$1.03	14.01%
4th Step Over 2,500 CF	\$8.38	\$10.09	\$1.71	20.41%	\$9.72	\$1.34	15.99%
<b>Impact Analysis</b>							
0 CF	\$20.00	\$20.00	(\$0.00)	0.00%	\$25.00	\$5.00	25.00%
500 CF	\$33.50	\$35.10	\$1.60	4.78%	\$39.70	\$6.20	18.51%
1,000 CF	\$67.70	\$75.25	\$7.55	11.15%	\$77.65	\$9.95	14.70%
1,500 CF	\$104.45	\$118.80	\$14.35	13.74%	\$119.55	\$15.10	14.46%
2,000 CF	\$141.20	\$162.35	\$21.15	14.98%	\$161.45	\$20.25	14.34%
2,500 CF	\$177.95	\$205.90	\$27.95	15.71%	\$203.35	\$25.40	14.27%
4,000 CF	\$303.65	\$357.25	\$53.60	17.65%	\$349.15	\$45.50	14.98%
5,000 CF	\$387.45	\$458.15	\$70.70	18.25%	\$446.35	\$58.90	15.20%

TOWN OF MAYNARD - DPW  
 Current vs Proposed Rates & Charges  
 Sewer Division

Exhibit 1a

	Current Rates FY 2020	SCENARIO #1			SCENARIO #2		
		Proposed 3 Year Ave Rate FY 2021-2023	Dollar Increase	Percentage Increase	Proposed 3 Year Ave Rate FY 2021-2023	Dollar Increase	Percentage Increase
<b>IN TOWN CUSTOMERS</b>							
<b>Minimum Charge - Quarterly - Includes 0 CF</b>	\$50.00	\$50.00	\$0.00	0.00%	\$60.00	\$10.00	20.00%
<b>Meter Sewer Charges - Quarterly - per 100 CF</b>							
1st Step 1-500 CF	\$5.50	\$6.55	\$1.05	19.09%	\$5.94	\$0.44	8.00%
2nd Step: 501-2,500 CF	\$10.60	\$12.61	\$2.01	18.96%	\$11.98	\$1.38	13.02%
3rd Step: Over 2,500 CF	\$13.00	\$15.47	\$2.47	19.00%	\$14.95	\$1.95	15.00%
<b>Impact Analysis</b>							
0 CF	\$50.00	\$50.00	\$0.00	0.00%	\$60.00	\$10.00	20.00%
500 CF	\$77.50	\$82.75	\$5.25	6.77%	\$89.70	\$12.20	15.74%
1,000 CF	\$130.50	\$145.80	\$15.30	11.72%	\$149.60	\$19.10	14.64%
1,500 CF	\$183.50	\$208.85	\$25.35	13.81%	\$209.50	\$26.00	14.17%
2,000 CF	\$236.50	\$271.90	\$35.40	14.97%	\$269.40	\$32.90	13.91%
2,500 CF	\$289.50	\$334.95	\$45.45	15.70%	\$329.30	\$39.80	13.75%
4,000 CF	\$484.50	\$567.00	\$82.50	17.03%	\$553.55	\$69.05	14.25%
5,000 CF	\$614.50	\$721.70	\$107.20	17.45%	\$703.05	\$88.55	14.41%

Attached Documentation:

- “Setting Water Rates in Massachusetts: Important Lessons Learned from Suppliers”  
 Massachusetts joint research study conducted by DER and DCR
- Summary of findings
- Whites pond treatment and transmission study / Water capacity memo
- Town of Maynard Water and Sewer Capital improvement plan