

**FY 2023 Budget Questions & Answers**  
**Finance Committee**

<b>Dept. Number, Name + Account</b>	<b>Questioner's Name/Question</b>	<b>Response</b>
600 Water Enterprise	Greene: Can you give an update on the Town's water permit? Are we still expecting a decrease to the MGD and RCPGD? Is Westford still on track to increase usage to 2 million gallons per day by 2030?	Cronin: We do not anticipate the permitting process for the Merrimack River basin to begin until calendar year 2023 at the earliest. We are still expecting a decrease to the permitted withdrawal volume, and the RGPCD to decrease to 65 from 80. Westford is still on track for an increased usage of 2 MGD by 2030.
600 Water Enterprise	FitzPatrick: I don't see the section "Westford Water Long Range Plan Projections." I can't name anything else that hasn't seen a price increase in 15 years. Does it make sense to have smaller increases more frequently than a larger (5%) increase in 2024 that might last for another couple decades?	Cronin: Westford Water Long Range Plan Projections are attached. Currently, a 5% rate increase is proposed for FY2025 and an additional 3% increase is proposed for FY2029. The Board of Water Commissioners have been discussing whether smaller, more frequent are more palatable to customers.
600 Water Enterprise	FitzPatrick: I'm curious why there would be an increase in electricity but not for heating fuel or gasoline?	Cronin: Utility expenses were calculated using the rates provided by the Finance Director. Based on the historic usage and projected rate, prior funding levels for heating fuel and gasoline are adequate. Unlike heating fuel and gasoline, electricity expenses are closely related to the amount of water pumped. Based on demand projections for FY23, and the uncertainty of the net metering credits to be received, funding in the amount of \$250,000 is required.
600 Water Enterprise	FitzPatrick: Fincom is discussing not mailing materials to every household. Has the water commission ever discussed this? At a minimum have they thought about only mailing to their customers?	Cronin: The Water Department mails our biannual newsletter to all addresses in Westford as it contains stormwater (and frequently private well) information which pertains to all Westford residents and businesses – not just public

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		drinking water customers. This is our only mailing to all addresses – other mailings are targeted to customers only. The Water Department has significantly reduced mailings related to its Consumer Confidence Report by allowing customers to obtain it electronically. Customers also have the option for enroll in paperless billing through our online payment vendor. It is not required at this point in time.
600 Water Enterprise	FitzPatrick: Does the commission review the budget request and the TMR?	Cronin: Yes. The budget request is reviewed by the Water Commissioners prior to the Water Department’s presentation to Town Manager and after the TMR budget has been completed.
600 Water Enterprise	FitzPatrick: How many vehicles does the enterprise own? Please provide an asset list.	Cronin: 13 Vehicles (3 SUVs, 7 utility trucks, 1 van, 2 dump trucks); 3 equipment trailers, 1 valve trailer, 1 backhoe, and 1 tractor. Vehicle asset list attached.
600 Water Enterprise	FitzPatrick: Please clarify that engineering services are for outside firms and not the Town's engineers. Can you provide detail of what services are needed and who provides them? Is there any direct or indirect charge for the Town's engineer?	Cronin: Engineering services are for outside services not performed by the Town’s Engineers. Services include new water source investigation, permitting, hydraulic analysis, water usage studies, water rate analysis, property surveys, and performed by consultants who specialize in these activities, such as hydrologists, well drillers, civil engineers. Vendors recently used include Maher Services, Econics, Geosyntec Consultants, Tighe & Bond, Meisner Brem Corp.
600 Water Enterprise	FitzPatrick: Why does emergency reserve fund transfer continue in perpetuity? Should that be less than annually?	Cronin: Emergency Reserve Funds are recommended in the American Water Works

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		Reserve Policy Guidelines. The Water Department uses the Emergency Reserve to fund the unanticipated of emergency replacement of critical assets that it cannot fund through its operating budget. The funding is appropriated annually a requires the approval of the Board of Water Commissioners, Finance Committee, and Select Board. If is it not used during the fiscal year, the fund closes back to water enterprise retained earnings and are re-appropriated the following year.
600 Water Enterprise	FitzPatrick: Are all the approved capital projects included in the non-issued bonds even if they don't hit until projected 2024 and 2025? Does this include projects in the current recommended capital? I don't see the depot well...	Cronin: Only approved projects with anticipated debt payments in FY23 are reflected in FY23. The Depot Well will be funded entirely from Water Enterprise Retained Earnings and not borrowed.
600 Water Enterprise	FitzPatrick: What are the types of costs in water infrastructure maintenance (13.4% increase) that are subject to the inflationary price increases? Would pipes, etc. need a similar increase (5% increase)	Cronin: This requested increase is due more to needed maintenance and repair services for our water treatment plants (WTPs). The WTPs are almost 20 years old, and repairs or replacements for critical equipment are becoming more regular – hence the larger increase requested for that line item.
600 Water Enterprise	FitzPatrick: Is there a special program being created for customer awareness or is the increase something else?	Cronin: The increase is for an anticipated increase to Per and Polyfluoroalkyl Substances (PFAS6) public education or notifications. The WWD has already put out a public education mailing in 2021, and it may be necessary to conduct future mailings. PFAS6 is an emerging drinking water contaminant that has been

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		detected in many public drinking water supplies in the area, including Westford's Country Road Well.
600 Water Enterprise	FitzPatrick: If such a large portion of DPW is charged directly to Water enterprise, why do we put the whole salary in the DPW accounts? Can you provide an overview of how these direct charges for the various enterprises impact the Town's operating budget and/or free cash? I'm wondering too why a highway employees' salary would be charged to two departments but not something like the DPW with 50/50 splits. (this is for Dan)	O'Donnell: The goal with allocating salaries through direct and indirect costs was to streamline the weekly payroll process. It is also easier to determine the full salary of the employees if they are centralized in one budget. The charges for direct and indirect costs are an accounting mechanism to reflect the true cost of running each enterprise. If the enterprise were just general fund departments and direct and indirect costs were not charged, the direct and indirect cost line would be removed from each of the four budgets and the 940 Otherwise Unclassified Budget would be \$0. There would have no net impact on the budget. There is an additional Heavy Equipment Operator that was allocated 50% to Stormwater, 25% to Highway, and 25% to Parks and Grounds. At the end of the year, we make a journal entry to reallocate the salary to each department. This could also be done through direct and indirect costs and the ending result would be the same.
<b>650 Storm Water Enterprise</b>	Greene: How is the Storm water enterprise budget tracking from projections 3 years ago?	62% of the Stormwater budget was expended in FY21. 52% of the Stormwater budget has been expended YTD for FY22. The vacant Administrative Assistant and Staff Engineer positions and debt service expenses account for

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		the majority of expenditures under that budget.
650 Storm Water Enterprise	Greene: I believe the initial rates were set for 3 years. When will the Select Board (?) be discussing future rates for Storm Water? Are increases or decreases expected?	The Select Board will begin discussing future rates at the conclusion of the FY23 budget process in preparation for FY24. Planned culvert replacement costs have been higher than anticipated; however, annual operating costs have been slightly lower than expected. Both will be evaluated with respect to the current rates to determine if an increase or decrease is recommended.
650 Storm Water Enterprise	FitzPatrick: If the migration to UBCIS as a billing solution is complete would the stipends for billing and collection still be needed?	Cronin Stipends for billing and collection would still be required as these functions have become permanent additional responsibilities for existing Water Department staff. The Water Department will be reviewing the need for the part-time Stormwater Administrative Assistant position after the Spring 2022 Stormwater billing.
650 Storm Water Enterprise	FitzPatrick: I've seen other states discuss the use of salt and the salt ratios to protect water. Does Westford review this? I see the street sweepers and drain cleaners but I'm curious about the solubles like salt.	Cronin: Yes, the DPW reviews available publications and also attends seminars that discuss the use of de-icing materials. The DPW uses ground-speed control on our trucks and each truck is calibrated to avoid an over application of salt. The DPW also pre-treats roads with a salt brine whenever possible which reduces the amount of salt necessary to treat our roads. The DPW is always looking for opportunities to limit salt use while at the same time maintaining safe roads during the winter months. The DPW also supplements its salt

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		usage with organic anti-icing materials to improve the effectiveness of salt over a wider range of temperatures, which also helps to reduce the amount of salt required.
650 Storm Water Enterprise	FitzPatrick: What are the collection rates for storm water billing	Cronin: 4.31% or \$49,293.74 of the \$1,144,507.50 billed in FY21 remains uncollected. \$354,275.50 or 30.97% is currently uncollected for FY22. Please note that FY22 bills are not due in full until May, 22, 2022.
650 Storm Water Enterprise	FitzPatrick: Was any relief or covid funds used for small businesses during the pandemic?	Cronin: There were no relief or COVID-19 funds used to offset stormwater bills for small businesses during the pandemic.
650 Storm Water Enterprise	FitzPatrick: Why would there be a reduction in responsibilities in the 4th year of a permit? What kind of things are reduced?	Cronin: The Town's MS4 stormwater permit is on a 5-year permit cycle that includes both one-time and annual obligations. Most of the one-time requirements within this permit cycle were front loaded and due by permit year 3 (FY 21) including: updates to local stormwater regulations, establishing various written inspection & good housekeeping procedures, preparing pollution prevention plans, and conducting a town-wide inspection of outfalls. The outfall inspection program was the most significant endeavor of all permit requirements since it involved visiting, inspecting, and screening more than 500 drainage outfalls for potential illicit connections. Annual requirements such as street sweeping, catch basin cleaning, employee training, and public education typically

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		remain constant each permit year. It is anticipated that the yearly compliance costs will need to increase once new requirements are introduced when the EPA renews the MS4 permit in FY24.
650 Storm Water Enterprise	FitzPatrick: Where does the 600K from the town come out of the operations budget? Please provide the revenue side of the enterprise.	Cronin: The \$600k was the estimated annual funds spent on our stormwater management program prior to the establishment of the Stormwater Enterprise. This figure was calculated as part of the Stormwater Management Master Plan and was based on costs associated with personnel time, operation and maintenance work, stormwater permit compliance, and capital improvements. Overall, the \$600k comes out of a variety of different line items from various budgets.

Westford Water Long Range Plan Projections										
		Usage	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected
	(Per 100 Cubic feet)	Rate	2017	2018	2019	2020	2021	2022	2023	2024
<b>Residential Billable 100 Cubic Feet</b>	0-2,500	\$4.19	374,688	370,150	374,199	376,211	419,171	414,975	415,000	415,415
	2,501-10,000	\$5.60	110,431	99,256	109,595	94,750	153,852	84,619	117,500	117,735
	>10,000	\$7.64	11,970	9,898	12,300	10,200	20,647	12,660	13,501	13,501
Total			497,089	479,304	496,094	481,161	593,670	512,254	546,001	546,651
<b>Non-Residential Billable 100 Cubic Feet</b>	0-2,500	\$6.03	21,707	22,000	21,809	21,315	19,600	21,300	21,315	21,358
	2,501-10,000	\$6.47	32,606	32,897	32,728	32,149	26,675	28,529	28,600	28,657
	>10,000	\$6.85	82,906	84,700	88,150	80,937	74,600	76,573	79,771	79,771
Total			137,219	139,597	142,687	134,401	120,875	126,402	129,686	129,786
<b>Calculated Revenue</b>			3,189,567	3,108,084	3,222,686	3,075,803	3,577,426	3,146,881	3,360,000	3,363,682
Billable Required Revenues			#REF!	4,195,265	3,027,696	3,000,241	3,814,496	3,637,576	3,857,305	3,750,704
change from prior year			-11.9%	-2.6%	3.7%	-4.6%	16.3%	-12.0%	6.8%	0.1%
Customer Service Meter Charges			514,084	510,251	518,759	530,763	552,468	553,000	555,000	555,000
Fireline Charges			177,805	178,015	179,054	186,987	193,011	192,000	193,000	193,000
<b>Vine Brook Betterment Receipts</b>					0	161,177	117,269	72,673	72,673	72,673
Service Repairs/ Miscellaneous			54,649	60,133	68,327	70,325	90,619	62,266	62,266	62,266
System Development Charges			31,240	26,950	548,490	552,771	57,330	39,450	40,000	40,000
Lien Certificates			1,517	2,024	1,637	502	9,753	1,800	1,800	2,000
Backflow			41,806	44,985	42,716	35,047	44,291	42,000	42,000	42,000
Rental Income			58,235	59,982	61,782	69,086	65,708	64,375	65,080	67,033
Earnings on Investments			9,435	29,638	46,422	35,725	7,254	6,500	8,000	8,500
Capital Transfer					221,081					
Water Interest			10,165	10,056	9,885	8,230	9,692	9,000	9,000	9,000
Transfers from OPEB Trust			19,971	17,265	17,474	18,586	21,682	22,000	23,000	24,000
<b>Total Revenues</b>			4,108,474	4,047,383	4,938,313	4,745,002	4,746,504	4,211,945	4,431,820	4,439,154
<b>Disbursements:</b>										
Salaries	1.5% Increase>2022		1,136,793	1,132,736	1,160,837	1,165,258	941,178	1,231,435	1,266,526	1,291,857
O&M Expenses	Inflation 1%>2020		1,305,345	1,467,322	1,514,981	1,409,838	1,735,027	1,569,375	1,681,768	1,728,586
Interest & Maturities	Old Debt + New Debt		1,031,292	1,078,196	996,163	1,273,351	1,314,998	1,490,283	1,483,157	1,209,860
Capital			#REF!	1,456,310	850,262	659,816	875,101	338,874	425,000	523,200
<b>Total Disbursements</b>			#REF!	5,134,564	4,522,242	4,508,263	4,866,304	4,629,967	4,856,451	4,753,502
<b>Ending Surplus Reserve (Cash)</b>			6,244,801	5,232,158	5,610,793	5,729,340	5,632,440	4,938,115	4,513,484	4,199,136
<b>Minimum Reserve Level (30% of rev + 500k)</b>			1,527,119	1,511,846	1,734,578	1,923,500	1,923,951	1,763,583	1,829,546	1,831,746
<b>Change in Reserve Level</b>			355,016	(1,012,643)	378,635	118,547	(96,900)	(694,325)	(424,631)	(314,348)
<b>Headcount</b>			16	16	15	15	15	15	15	15

Westford Water Long Range Plan Projections		5% Rate Increase				3% Rate Increase
		Projected	Projected	Projected	Projected	Projected
	(Per 100 Cubic feet)	2025	2026	2027	2028	2029
<b>Residential Billable 100 Cubic Feet</b>	0-2,500	415,830	416,246	416,662	417,079	417,496
	2,501-10,000	117,970	118,206	118,443	118,680	118,917
	>10,000	<u>13,501</u>	<u>13,501</u>	<u>13,501</u>	<u>13,501</u>	<u>13,501</u>
Total		<b>547,302</b>	<b>547,954</b>	<b>548,606</b>	<b>549,260</b>	<b>549,914</b>
<b>Non-Residential Billable 100 Cubic Feet</b>	0-2,500	21,400	21,443	21,486	21,529	21,572
	2,501-10,000	28,715	28,772	28,829	28,887	28,945
	>10,000	<u>79,771</u>	<u>79,771</u>	<u>79,771</u>	<u>79,771</u>	<u>79,771</u>
Total		<b>129,886</b>	<b>129,986</b>	<b>130,087</b>	<b>130,187</b>	<b>130,288</b>
<b>Calculated Revenue</b>		<b>3,544,195</b>	<b>3,548,080</b>	<b>3,551,970</b>	<b>3,555,867</b>	<b>3,666,415</b>
Billable Required Revenues		3,598,546	3,974,197	4,050,113	4,476,039	4,509,460
change from prior year						
Customer Service Meter Charges		582,750	582,750	583,333	583,916	584,500
Fireline Charges		202,650	202,650	202,650	202,650	202,650
<b>Vine Brook Betterment Receipts</b>		<b>72,673</b>	<b>72,673</b>	<b>72,673</b>	<b>72,673</b>	<b>72,673</b>
Service Repairs/ Miscellaneous		65,379	65,379	65,379	65,379	65,379
System Development Charges		42,000	42,000	42,000	42,000	42,000
Lien Certificates		2,000	2,500	2,500	2,500	2,500
Backflow		44,100	44,100	44,100	44,100	44,100
Rental Income		69,044	71,115	73,248	75,446	77,709
Earnings on Investments		8,500	8,500	8,500	9,000	9,200
Capital Transfer						
Water Interest		9,000	9,000	9,000	9,000	9,000
Transfers from OPEB Trust		<u>26,000</u>	<u>27,000</u>	<u>28,000</u>	<u>29,000</u>	<u>30,000</u>
<b>Total Revenues</b>		<b>4,668,291</b>	<b>4,675,747</b>	<b>4,683,354</b>	<b>4,691,531</b>	<b>4,806,127</b>
<b>Disbursements:</b>						
Salaries	1.5% Increase>2022	1,317,694	1,344,048	1,370,928	1,398,347	1,426,314
O&M Expenses	Inflation 1%>2020	1,775,872	1,823,630	1,871,867	1,920,585	1,969,791
Interest & Maturities	Old Debt + New Debt	1,420,404	1,581,513	1,666,028	1,720,098	1,680,393
Capital		<u>136,000</u>	<u>280,000</u>	<u>200,000</u>	<u>500,000</u>	<u>500,000</u>
<b>Total Disbursements</b>		<b>4,649,969</b>	<b>5,029,191</b>	<b>5,108,823</b>	<b>5,539,030</b>	<b>5,576,498</b>
<b>Ending Surplus Reserve (Cash)</b>		<b>4,217,458</b>	<b>3,864,014</b>	<b>3,438,545</b>	<b>2,591,045</b>	<b>1,820,674</b>
<b>Minimum Reserve Level (30% of rev + 500k)</b>		<b>1,900,487</b>	<b>1,902,724</b>	<b>1,905,006</b>	<b>1,907,459</b>	<b>1,941,838</b>
<b>Change in Reserve Level</b>		<b>18,322</b>	<b>(353,444)</b>	<b>(425,469)</b>	<b>(847,499)</b>	<b>(770,371)</b>
<b>Headcount</b>		<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>

FLEET INVENTORY  
WESTFORD WATER DEPARTMENT

**4 X 4 LIGHT P/U SUV**

TRUCK ID	YEAR	MAKE	DEPARTMENT	NOTES	ASSIGNMENT	Current Age
	2018	FORD	WATER	EXPLORER 4WD	Water Superintendent	4
	2020	FORD	WATER	EXPLORER 4WD	Water Operations Manager	2
	2008	FORD	WATER	ESCAPE HYBRID	Environmental Complinance Manager	14
	1997	CHEVY	WATER	S10 PU	Laborer	25
26	2014	CHEVY	WATER	EXPRESS VAN	Scott Harkins - Meter Reader/Operator	8

**4 X 4 PICKUP 3/4 TON**

TRUCK ID	YEAR	MAKE	DEPARTMENT	NOTES	ASSIGNMENT	Current Age
24	2021	CHEVY	WATER	2500 HD UTILITY BODY/PLOW	Keith McLaughlin - Operator	1
21	2019	CHEVY	WATER	2500 HD EXT CAB UTILITY BODY/PLOW	Paul Ricard - Foreman	3
	2006	CHEVY	WATER	2500 HD UTILITY BODY/V PLOW	Replaced & Retired - To be auctioned	16
23	2011	CHEVY	WATER	2500 HD UTILITY BODY/PLOW	Ryan Livermore - Operator	11
25	2018	CHEVY	WATER	2500 HD UTILITY BODY/PLOW	Wayne Beauregard - Foreman	4
28	2010	CHEVY	WATER	2500 HD UTILITY BODY/PLOW	Jesse McLaughlin - Operator	12
20	2013	CHEVY	WATER	2500 HD PU/LIFT GATE	Rob Daley - Operator/Mechanic	9

**4 X 4 LIGHT TRUCK 1 TON**

TRUCK ID	YEAR	MAKE	DEPARTMENT	NOTES	ASSIGNMENT	Current Age
29	2002	CHEVY	WATER	3500 HD DUMP/SAND	Replaced & Retired - To be auctioned	20
29	2021	CHEVY	WATER	3500 HD DUMP/SAND/9' PLOW	As Needed	

**HEAVY DUMP**

TRUCK ID	YEAR	MAKE	DEPARTMENT	NOTES	ASSIGNMENT	Current Age
27	2013	INTERNATIONAL	WATER	DUMP	As Needed	9

**HEAVY EQUIPMENT**

TRUCK ID	YEAR	MAKE	DEPARTMENT	NOTES	ASSIGNMENT	Current Age
	2011	JOHN DEERE	WATER	310J BACKHOE		11
T-1	2016	JOHN DEERE	WATER	TRACTOR/BRUSH HOG		6

**EQUIPMENT POWER SPECIALTY**

TRUCK ID	YEAR	MAKE	DEPARTMENT	NOTES	ASSIGNMENT	Current Age
22	2005	CHEVY	WATER	C4500 UTILITY TRUCK	Joe Emerson - Operator	17
VT-1	2016	EH WACHS	WATER	VALVE TRAILER		6

**EQUIPMENT TRAILER**

TRUCK ID	YEAR	MAKE	DEPARTMENT	NOTES	ASSIGNMENT	Current Age
	2012	CAM SUPERLINE	WATER	TRAILER		10
	2013	LOAD RITE	WATER	TRAILER		9
	2018	BIG TEX	WATER	14' SINGLE AXLE TRAILER		4