

FY 2027 Budget Questions & Answers Finance Committee

Dept. Number, Name + Account	Questioner's Name/Question	Response
600 Water Enterprise	Greene/Fryer: Are rate increases planned in the near future? What have been the rate increases over the past few years? What are the projected increases in water rates for Westford to comply with the new MassDEP regulations?	<p>Fox/Warren: The Town seeks to maintain water rates that meet customer needs, comply with local, state, and federal regulations, cover current operating expenses and future capital needs, and maintain a responsible water fund balance that protects the water system.</p> <p>Projected rate increases: Based on long-term financial planning and current regulatory assumptions, the Town is projecting 6.5% water rate increases in FY28, FY30, FY32, and FY34. These projections incorporate anticipated compliance with new MassDEP regulations; however, actual rates are set annually by the Board of Water Commissioners as part of the budget review process.</p> <p>Recent rate history: In FY24, water rates increased 22%, representing the first increase in more than 15 years. A subsequent 6.5% increase was implemented in FY26.</p> <p>Regulatory cost uncertainty: Additional clarity will be available once the operating costs of the PFAS treatment facilities are fully realized. A key uncertainty is the frequency of carbon media change-outs, which represent a significant operating expense and can vary substantially depending on raw water quality and system performance.</p> <p>This phased approach balances regulatory compliance, system sustainability, and predictability for ratepayers while allowing rates to be adjusted as actual operating data becomes available.</p> <p>Please see this Water Rate Study presented at the April 23, 2024 Select Board Meeting.</p>

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600 Water Enterprise	Greene: How will the Water dept handle increasing demands on the water supply given our permit is decreasing the town's allowed water usage?	<p>Fox/Warren: While the updated Water Management Act Withdrawal Permit has not yet been issued, we anticipate a reduction in the Town's allowable water withdrawal. Under the guidance of the Board of Water Commissioners, staff have begun tracking project-specific water allocations to better manage future availability requests and overall system demand.</p> <p>To address increasing demand within the expected permit constraints, the Water Department is pursuing a multi-pronged strategy that includes:</p> <ul style="list-style-type: none"> • Implementing outdoor watering restrictions to limit nonessential water use, • Providing incentives for residents to upgrade fixtures to low-flow models, • Continuing public education efforts to reduce waste and ensure fixtures are operating properly, • Developing an additional source well to improve system resiliency, and • Advancing other conservation initiatives to reduce overall consumption. <p>In addition, the Town anticipates a potential additional water allowance associated with participation in the MBTA Communities program, although the State has not yet identified the criteria or metrics that will be used in that evaluation.</p> <p>Taking into account the final disposition of the Water Management Act permit, the Board of Water Commissioners will evaluate requests for connection to the public water supply for new development based on the results of a completed Water Impact Study and a review of potential impacts to existing customers. Any approved connections</p>

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		will be granted on a specific, volume-allocated basis to ensure continued regulatory compliance and system reliability.
600 Water Enterprise	Greene: Please provide a 5-year history of the Water Ent retained earnings.	<p>Fox/Warren: Beginning Balances:</p> <ul style="list-style-type: none"> • FY26 - \$5,480,793 • FY25 - \$5,094,481 • FY24 - \$5,008,485 • FY23 - \$4,391,926 • FY22 - \$4,907,009 <p>O'Donnell: See attached detailed analysis.</p>
600 Water Enterprise	Greene: How many accounts receive their bills electronically?	<p>Warren: 319 customers receive an email with a link to the invoice – and no paper bill</p> <p>516 customers are enrolled in autopay</p> <p>264 customers receive both an email and a paper invoice</p> <p>Total of 1,916 subscriptions</p>
600 Water Enterprise	Nate: Water Enterprise uses City Hall Systems for online payments from customers. Does this service cost anything that comes from the town and/or the water enterprise budget?	Warren: Each customer payment online via eCheck costs the town \$0.25. This cost is borne by the Water Enterprise fund (charged back to the Water Department). The current Water Department cost for FY26 (July 1 – Dec, 31) is \$1,203.00.
600 Water Enterprise	Fryer: What is the plan to enforce restricted water use during the May 1 st to September 30 th period?	Warren: The Water Department will comply with the provisions of the new permit, when issued. At a minimum, this may include mandatory two-day-per-week outdoor water use restrictions with time-of-day limitations. These restrictions may be upgraded to mandatory one-day-per-week restrictions with time-of-day limitations or a prohibition on all non-essential outdoor water usage based on permitted streamflow triggers or state-declared drought status.

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		<p>If the permit is not issued by this year, the Water Department will implement Stage II mandatory every-other-day outdoor water use restrictions with specified time-of-day limitations (6 pm to 9am). Upgrades to Stage III will be implemented as necessary dependent on emergency or state drought level declarations.</p> <p>Restrictions will be enforced by Water Department personnel, including periodic non-business hour patrols. Violations will be enforced with warnings and then fines issued based on Water Department Rules and Regulations.</p>
600 Water Enterprise	Fryer: Do the projections for water use account for a build out of the MBTA zoning?	Warren: The baseline volume proposed for Westford's new Withdrawal Permit does not include build-out associated with the MBTA zoning districts, as the baseline was calculated prior to the adoption of the MBTA zoning requirements. However, potential build-out of the MBTA zones was evaluated as part of the Water Department's recent MassDEP Drinking Water Permit Renewal (Order to Complete) submittal. Specifically, the Water Department requested a permitted withdrawal volume greater than MassDEP's calculated baseline in order to account for anticipated water demand associated with MBTA zoning build-out.
600 Water Enterprise	Fryer: If the MassDEP does not allow an increase above the projected 1.79 MGD, what are the implications for water supply in Westford, especially with a full MBTA zoning buildout?	Warren: The resulting impact on the Water Department would be a limited capacity to approve new connections to the public water supply for proposed developments.
650 Stormwater Enterprise	Greene: In light of the Federal tax code changes increasing the deduction limits of state and local taxes, has there been any	Starratt: After multiple public hearings and two separate Town Meetings, the Select Board decided on a stormwater fee and enterprise fund as the most equitable choice for funding our

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	thought to changing Stormwater fees to a surtax on property tax bills? This way, they would be deductible on tax returns.	stormwater utility. Changing to a tax will significantly shift the distribution of funding away from schools, Town owned properties, and other non-profit groups like churches, and pass it on to private residential properties. O'Donnell: This was adopted as a fee by the Select Board, so it cannot be converted to a tax.
650 Stormwater Enterprise	Greene: Please provide a 5-year history of the Stormwater Ent retained earnings.	Kumar: Beginning Balances: FY26 - \$1,895,767 FY25 - \$2,715,801 FY24 - \$2,037,697 FY23 - \$1,480,483 FY22 - \$814,062 O'Donnell: See attached detailed analysis.
650 Stormwater Enterprise	Greene: What is the current accounts receivable balance?	Kumar: Out of the \$1.164 million billed for FY26, about \$427k is outstanding as of 1/5/2026. Due date to pay the FY26 bills is 1/31/2026.
650 Stormwater Enterprise	Greene: How many accounts receive their bills electronically?	Kumar: For FY26, out of the 7,377 total Stormwater accounts, 169 receive their bills only electronically. Another 190 receive their bills electronically AND on paper. The remaining 7,018 receive their bills only on paper. Kumar: For FY26: 169 customers receive an email with a link to the invoice – and no paper bill 190 customers receive both an email and a paper invoice Total of 7,377 Stormwater Accounts

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650 Stormwater Enterprise	Nate: Stormwater Enterprise uses City Hall Systems for online payments from customers. Does this service cost anything that comes from the town and/or the stormwater enterprise budget?	Kumar: Each customer payment online via eCheck costs the town \$0.25. This cost is borne by the Stormwater Enterprise budget. Department cost for FY26 (July 1 – Dec 31) is \$472.50
650 Stormwater Enterprise	Galvin: What provisions are there under DEP or EPA to challenge mandates? Has the town ever challenged a mandate?	Starratt: The EPA conducts public hearings and solicits written comments each time that they issue a new permit. The Town Engineer has participated in past public hearings to argue for more rationale permit requirements and has submitted written comments about the financial constraints of municipal government. There have been multiple challenges by various parties on both sides of the mandate argument, but nothing has prevailed in the courts.
650 Stormwater Enterprise	Galvin: Do you anticipate any mandates from either EPA or DEP that will require us to increase expenditures?	Starratt: Yes. The EPA, through the Clean Water Act, requires that a new stormwater permit be issued every five years and that each permit issuance must be more stringent than the previous permit. The more stringent regulations increase municipal compliance costs. DEP also issues mandates, like the Stream Crossing Standards (SCS), which apply to culvert replacement projects. The SCS typically require existing culverts to be significantly increased in size which results in much higher design, permitting, and construction costs.
650 Stormwater Enterprise	Galvin: Explain the 121.34% increase in overtime?	Fox: The proposed increase in overtime from the FY26 budget to the proposed FY27 budget is \$2,741. The increase is in support of the expectation that we will continue to have emergency culvert replacement projects that incur overtime.
650 Stormwater Enterprise	Galvin: Explain the 14.29% increase in maintenance support?	Fox: Similar to above, the proposed increase from the FY26 budget to the proposed FY27 budget is to cover the costs of emergency culvert replacement projects and planned culvert replacement projects performed by in-house staff. These funds are utilized to perform culvert repairs/replacements at a fraction of the price from capital projects on bigger projects.

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650 Stormwater Enterprise	Galvin: Explain the 50.00% increase in pipe monitoring	Fox/Downs: Pipe monitoring expenses are proposed to be reduced by 40%. The question appears to be directed at the 50% increase in the Engineering Services line item. The requested increase for Engineering Services from \$5,000 to \$7,500 is associated with performing culvert project design with our engineering staff with minor support for certain aspects of the project versus using consultants for the entire scope. This process will reduce overall project costs for the stormwater system maintenance.
650 Stormwater Enterprise	Galvin: Explain the item transfer to general fund direct/indirect costs increased 17.69%. Is their referring to a general fund subsidy of this program?	O'Donnell: The general fund subsidy is staying level for FY27 in the amount of \$600,000. The direct and indirect costs are calculated each year with the analysis for Stormwater Enterprise shown on page 173 of the <u>FY27 Town of Westford Budget document</u> . Per the town's direct and indirect costs policy, we also reconcile the most recent completed year and charge the enterprise for any additional incurred costs or give them a credit for overcharging them. For FY25, we incurred additional costs of \$31,603, which is contributing to the increase.
650 Stormwater Enterprise	Galvin: Who picks up the cost of the personnel expenses on the stormwater enterprise, is the funded from the enterprise fund or the general fund?	Kumar: There is a staffing cost included as Personal Services in the Stormwater budget. Additionally, there are other employees whose costs are charged to the Stormwater budget based on an allocation percent which varies by employee/related stormwater task. All of these costs are ultimately funded by the Stormwater Enterprise fund and can be found in the direct/indirect costs noted in the response above.