

Water and Sewer Rate Advisory Committee 9/13/22

Meeting Minutes

Attending: Patrick Luddy, Gino Cresta, Amy Sarro, Neal Duffy, Charlie Patsios, Ralph Souppa

Patrick provided overview of W&S budget and rate setting process and recommendations. He explained that the Lynn Water and Sewer Commission (LWSC) and MA Water Resources Authority (MWRA) assessments are in for FY23 and they are lower than what was projected during budgeting last spring, so there are recommended reductions in both water and sewer budgets. We expect irrigation usage to be increased as well but will not know until the meters are read later this season.

Neal Duffy asked if the Sewer budget decreased why we need an increase in rates. Patrick Luddy answered that we are making conservative assumptions in consumption, and if consumption is down for the year an increase would still be necessary.

Charlie Patsios asked about the water levels in the Quabbin Reservoir. Gino Cresta stated that it is at about 90% capacity and there is not a concern. Charlie Patsios stated a desire to investigate and pursue grant opportunities to help the town make infrastructure improvements.

Patrick Luddy continued his presentation and explained that retained earnings are above 20% of the respective budgets, which is in accordance with Swampscott's financial guidelines, but not substantially above such that we would want to use more. There have been years when we have used six figures for retained earnings and we are in a position where if such a need occurred again we would be able to do so and still remain over the 20% threshold. So a 2-3% increase in a rate is stable and desired.

Ralph Souppa asked about the difference between the low tier base rate and the tier 2 base rate, which is \$1. Ralph felt this small difference seemed inconsequential and did not understand why there was not a bigger spread. Ralph also pointed out that the difference between the lowest and highest water rate is about 6%, but the spread on the sewer side is about 25%, and he did not understand why that was so different. Ralph also asked to work with DPW staff on making some changes to the bill presentation.

Patrick will send out presentation and rate options to the committee. Committee members will get any questions on those options to Patrick and Amy by end of the week. We will hopefully vote on a recommendation on 9/22.

Committee scheduled the next meeting for Thursday, 9/22 @ 5 PM.

