

## STAFF SUMMARY


**TO:** Board of Directors  
**FROM:** Frederick A. Laskey, Executive Director  
**DATE:** June 22, 2022  
**SUBJECT:** Final FY23 Water and Sewer Assessments

**COMMITTEE:** Administration, Finance & Audit

   INFORMATION

  X VOTE

Michael Cole, Budget Director  
Leo Norton, Asst. Mgr, Rates, Revenue and Finance  
Preparer/Title

  
Thomas J. Durkin  
Director of Finance

*The Proposed FY23 Current Expense Budget (CEB) was submitted to the Advisory Board at the February 2022 Board meeting and included a 3.4% combined assessment increase.*

*MWRA's long-term goal has been to provide sustainable and predictable assessments to its member communities. In the past few years, the Advisory Board challenged MWRA to limit the assessment increases at a level less than 4%. MWRA has continuously been successful in achieving this goal by utilizing a multi-year rates management strategy, which includes controlled spending, the use of historical variable rate assumptions, and the practice of targeted debt defeasance.*

*Consistent with the FY23 Final Budget, the combined assessment increase of 2.85% includes a 2.27% increase for sewer assessments, and a 3.93% increase for water assessments.*

### RECOMMENDATION:

To adopt the following effective July 1, 2022:

- 1) Water system assessments of \$288,304,865 and sewer system assessments of \$526,343,135 for FY23.
- 2) FY23 sewer assessments of \$500,000 for the Town of Clinton and \$459,884 for the Lancaster Sewer District.
- 3) FY23 charge to the City of Worcester of \$210,531 representing approximately 7.9% of the direct operating expenses for the Clinton Wastewater Treatment Plant.
- 4) FY23 water assessments of \$3,804,390 for the City of Chicopee, \$805,465 for South Hadley Fire District #1, and \$845,127 for the Town of Wilbraham.
- 5) A wholesale water rate of \$4,628.12 per million gallons.
- 6) A retail sewer rate of \$7,993.14 per million gallons.

**DISCUSSION:**

The Final FY23 Current Expense Budget includes a Rate Revenue Requirement of \$814,648,000, an increase of 2.85% over the FY22 requirement.

|              | Rate Revenue Requirement |               | Change from FY22 |         |
|--------------|--------------------------|---------------|------------------|---------|
|              | FY23 Final               | FY22 Final    | Dollars          | Percent |
| <b>Water</b> | \$288,304,865            | \$277,415,068 | \$10,889,797     | 3.93%   |
| <b>Sewer</b> | \$526,343,135            | \$514,668,932 | \$11,674,203     | 2.27%   |
| <b>Total</b> | \$814,648,000            | \$792,084,000 | \$22,564,000     | 2.85%   |

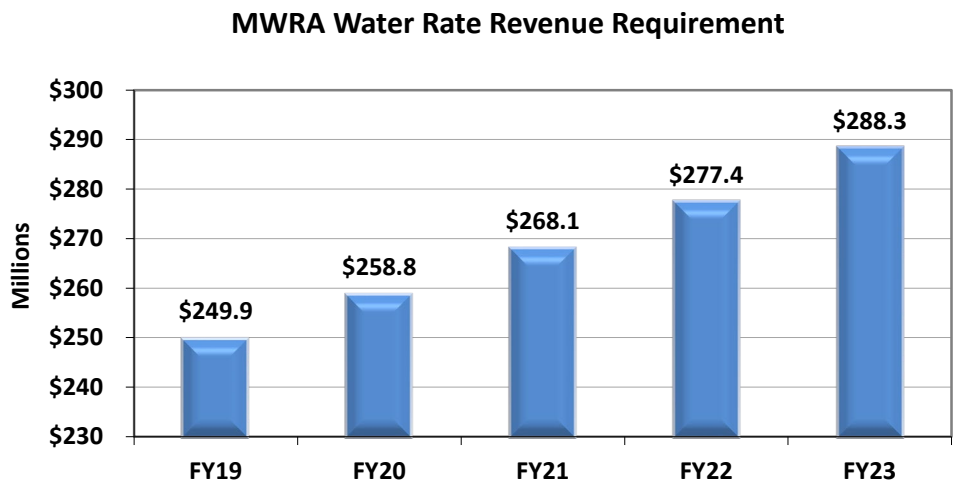
*Attachment 1 details the FY23 wholesale water and sewer charges for each MWRA community.*

The estimated annual impact of the FY23 assessment increase on the MWRA portion of the average household bill for water and sewer service in a fully served MWRA community that uses close to the system average of 61,000 gallons of water per year is approximately \$17.

**Water Assessments**

MWRA calculates water assessments for customer communities by apportioning the water rate revenue requirement according to each community’s share of total water use for the most recent calendar year. FY23 water assessments are based on each community's share of CY21 water use of 62.294 billion gallons, a 1.48% decrease compared to CY20 water use of 63.232 billion gallons. Changes in FY23 water assessments for customer communities compared to FY22 assessments will vary considerably, depending on each community's use of water and how that use factors into their share of the water system in CY21 compared to CY20. This is particularly true for communities that receive only part of their water from MWRA.

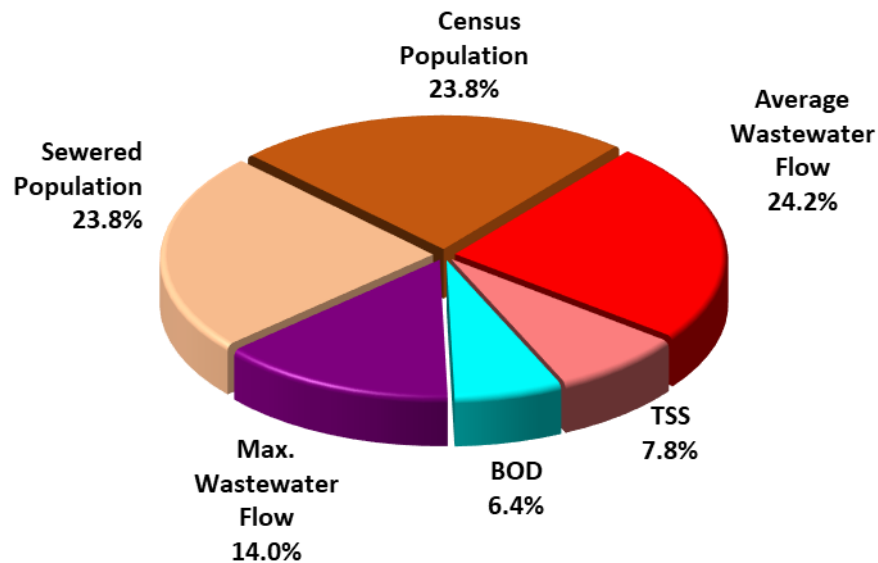
The graph below illustrates the water Rate Revenue Requirement for the past 5 years. The changes from FY22 to FY23 are primarily the result of increased debt service related to water system rehabilitation and improvements.



## Sewer Assessments

MWRA allocates sewer assessments based on each community's share of the following allocation parameters: three-year average of annual wastewater flow, maximum month flow, strength of flow, census population, and sewer population.

On average, approximately 52% of a community's FY23 sewer assessment is based on each community's share of wastewater flow and strength of flow (total suspended solids or TSS and biochemical oxygen demand or BOD), and approximately 48% is based on population as illustrated in the following graph.

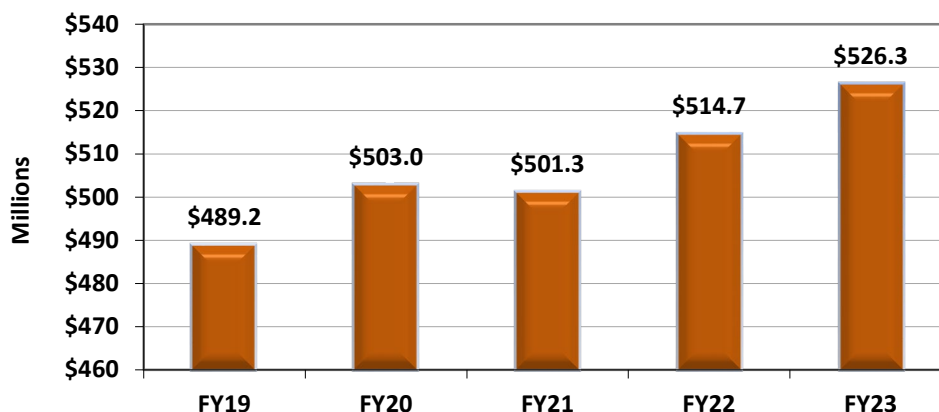


The population component of the FY23 assessments were calculated using the 2020 Census, as well as the percentage of total population receiving municipal sewer service as reported by each MWRA community.

The flow component of the FY23 assessments were calculated using the average of CY19, CY20 and CY21 wastewater flows and strength of flows. CY19 and CY20 flows are based on actual metered flow, and CY21 flows were estimated during the sewer system meter replacement project.

The graph below illustrates the sewer Rate Revenue Requirement for the past 5 years. As with the water utility, the annual changes continue to be primarily the result of increased debt service related to sewer system rehabilitation and improvements.

### MWRA Sewer Rate Revenue Requirement



### Clinton Sewer Service Area Assessments

FY23 operating and maintenance (O&M) and capital expenses attributable to the Clinton Wastewater Treatment Plant are \$4,878,261, an increase of 12.8% from FY22 expenses. This includes a 9.2% increase in operating costs, and a 20.9% increase in capital expenses.

In accordance with the agreement that allows the City of Worcester to take water from the Wachusett watershed, Worcester is charged approximately 7.9% of the direct operating expenses for the Clinton Wastewater Treatment Plant. FY23 direct operating expenses for the plant total \$2,661,253, resulting in a FY23 charge of \$210,531 for the City of Worcester. Worcester has been paying this annual charge to MWRA or its predecessors since 1914.

The Town of Clinton and the Lancaster Sewer District are allocated proportional shares of the remaining expenses based on annual metered wastewater flow to the Clinton Plant. Based on FY23 expenses and CY21 wastewater flows, Lancaster's FY23 charge is \$459,884, an increase of 3.6% from FY22.

The FY23 charge for the Town of Clinton is \$4,193,345. However, pursuant to Chapter 307, Section 8 of the Acts of 1987, Clinton is only liable for the first \$500,000 of its share of O&M and capital costs.

*Attachment 2* details the expenses and corresponding charges for the Clinton Sewer Service Area.

### CVA Water Assessments

Based on the Final FY23 CIP and CEB for the Chicopee Valley Aqueduct (CVA) water system, the FY23 system assessment is \$5,454,982, an increase of 3.5% from FY22 assessments.

MWRA's CVA water assessment methodology allocates CVA assessments to the three communities served by the CVA system based on their share of prior calendar year water use. Based on CY21 water use, FY23 assessments are as follows:

- City of Chicopee: \$3,804,390 (+5.7%)
- South Hadley Fire District #1: \$ 805,465 (+1.0%)
- Town of Wilbraham: \$ 845,127 (-3.1%)

As with the metropolitan water system, changes in FY23 water assessments for each CVA community compared to FY22 assessments vary depending on their water use and how that use factors into their share of the CVA water system in CY21 compared to CY20.

*Attachment 3* details the expenses and corresponding assessments for the CVA Water Service Area.

**Wholesale Water Rate**

MWRA’s wholesale water rate per million gallons is applied to customers purchasing MWRA water on a pay-as-you-go basis (including customers with emergency agreements). The wholesale water rate for FY23 is \$4,628.12 per million gallons. The FY23 CEB includes revenue of \$174,199 from these customers.

**Retail Sewer Rate**

MWRA provides direct retail sewer service to Regis College in Weston and the New England Center for Children in Southborough. In accordance with MWRA Policy #OP.11, “Admission of New Community to MWRA Sewer System and Other Requests for Sewer Service to Locations Outside MWRA Sewer Service Area”, both entities are charged a modified per million gallon “retail” rate that captures both sanitary and non-sanitary flows. Based on FY23 sewer assessments, the FY23 retail sewer rate will be \$7,993.14 per million gallons. The Final FY23 CEB includes revenue of \$63,526 from these customers.

**ATTACHMENTS:**

1. FY23 Water and Sewer Assessments
2. Clinton Wastewater Treatment Plant Sewer User Charge Determination
3. Chicopee Valley Aqueduct System Assessment

| MWRA Fully Served Water and Sewer Customers | Final FY22 Water Assessment | Final FY23 Water Assessment | Percent Change from FY22 | Final FY22 Sewer Assessment | Final FY23 Sewer Assessment | Percent Change from FY22 | Final FY22 Combined Assessment | Final FY23 Combined Assessment | Dollar Change from FY22 | Percent Change from FY22 |
|---|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------|
| ARLINGTON                                   | \$5,958,052                 | \$5,648,095                 | -5.2%                    | \$9,124,432                 | \$9,392,510                 | 2.9%                     | \$15,082,484                   | \$15,040,605                   | (\$41,879)              | -0.3%                    |
| BELMONT                                     | 3,321,668                   | 3,134,847                   | -5.6%                    | 5,482,714                   | 5,677,766                   | 3.6%                     | 8,804,382                      | 8,812,613                      | 8,231                   | 0.1%                     |
| BOSTON (BWSC)                               | 93,962,296                  | 99,390,501                  | 5.8%                     | 148,872,321                 | 149,691,861                 | 0.6%                     | 242,834,617                    | 249,082,362                    | 6,247,745               | 2.6%                     |
| BROOKLINE                                   | 8,011,141                   | 8,018,472                   | 0.1%                     | 13,660,245                  | 14,277,389                  | 4.5%                     | 21,671,386                     | 22,295,861                     | 624,475                 | 2.9%                     |
| CHELSEA                                     | 5,460,223                   | 5,460,876                   | 0.0%                     | 8,986,504                   | 9,362,783                   | 4.2%                     | 14,446,727                     | 14,823,659                     | 376,932                 | 2.6%                     |
| EVERETT                                     | 6,272,641                   | 6,422,774                   | 2.4%                     | 9,618,364                   | 10,050,685                  | 4.5%                     | 15,891,005                     | 16,473,459                     | 582,454                 | 3.7%                     |
| FRAMINGHAM                                  | 9,287,668                   | 9,531,024                   | 2.6%                     | 13,764,605                  | 13,631,736                  | -1.0%                    | 23,052,273                     | 23,162,760                     | 110,487                 | 0.5%                     |
| LEXINGTON                                   | 8,743,912                   | 8,493,467                   | -2.9%                    | 8,177,213                   | 8,432,792                   | 3.1%                     | 16,921,125                     | 16,926,259                     | 5,134                   | 0.0%                     |
| MALDEN                                      | 8,378,155                   | 8,758,033                   | 4.5%                     | 13,820,322                  | 14,707,650                  | 6.4%                     | 22,198,477                     | 23,465,683                     | 1,267,206               | 5.7%                     |
| MEDFORD                                     | 7,036,071                   | 7,666,268                   | 4.2%                     | 12,538,844                  | 13,036,794                  | 4.0%                     | 19,898,915                     | 20,703,062                     | 804,147                 | 4.0%                     |
| MELROSE                                     | 3,511,330                   | 3,499,715                   | -0.3%                    | 6,842,727                   | 7,179,811                   | 4.9%                     | 10,354,057                     | 10,679,526                     | 325,469                 | 3.1%                     |
| MILTON                                      | 3,884,900                   | 4,022,582                   | 3.5%                     | 5,910,238                   | 6,075,106                   | 2.8%                     | 9,795,138                      | 10,097,688                     | 302,550                 | 3.1%                     |
| NEWTON                                      | 13,717,608                  | 14,157,661                  | 3.2%                     | 22,344,621                  | 22,803,628                  | 2.1%                     | 36,062,229                     | 36,961,289                     | 899,060                 | 2.5%                     |
| NORWOOD                                     | 4,409,127                   | 4,502,690                   | 2.1%                     | 8,482,434                   | 8,789,282                   | 3.6%                     | 12,891,561                     | 13,291,972                     | 400,411                 | 3.1%                     |
| QUINCY                                      | 13,440,835                  | 13,856,502                  | 3.1%                     | 21,473,437                  | 22,536,755                  | 5.0%                     | 34,914,272                     | 36,393,257                     | 1,478,985               | 4.2%                     |
| READING                                     | 2,831,288                   | 2,807,828                   | -0.8%                    | 5,376,119                   | 5,378,338                   | 0.0%                     | 8,207,407                      | 8,186,166                      | (21,241)                | -0.3%                    |
| REVERE                                      | 5,756,009                   | 6,348,919                   | 10.3%                    | 11,066,469                  | 12,301,594                  | 11.2%                    | 16,822,478                     | 18,650,513                     | 1,828,035               | 10.9%                    |
| SOMERVILLE                                  | 8,973,256                   | 9,471,778                   | 5.6%                     | 17,020,189                  | 17,021,558                  | 0.0%                     | 25,993,445                     | 26,493,336                     | 499,891                 | 1.9%                     |
| STONEHAM                                    | 3,561,396                   | 3,289,382                   | -7.6%                    | 5,585,497                   | 5,652,293                   | 1.2%                     | 9,146,893                      | 8,941,675                      | (205,218)               | -2.2%                    |
| WALTHAM                                     | 10,338,346                  | 11,044,210                  | 6.8%                     | 14,299,920                  | 14,787,237                  | 3.4%                     | 24,638,266                     | 25,831,447                     | 1,193,181               | 4.8%                     |
| WATERTOWN                                   | 4,166,126                   | 4,147,401                   | -0.4%                    | 6,806,903                   | 6,800,246                   | -0.1%                    | 10,973,029                     | 10,947,647                     | (25,382)                | -0.2%                    |
| WINTHROP                                    | 2,074,166                   | 1,918,276                   | -7.5%                    | 3,831,735                   | 3,970,822                   | 3.6%                     | 5,905,901                      | 5,889,098                      | (16,803)                | -0.3%                    |
| <b>TOTAL</b>                                | <b>\$233,420,214</b>        | <b>\$241,591,301</b>        | <b>3.5%</b>              | <b>\$373,085,853</b>        | <b>\$381,558,636</b>        | <b>2.3%</b>              | <b>\$606,506,067</b>           | <b>\$623,149,937</b>           | <b>\$16,643,870</b>     | <b>2.7%</b>              |

| MWRA Sewer and Partial Water Customers | Final FY22 Water Assessment | Final FY23 Water Assessment | Percent Change from FY22 | Final FY22 Sewer Assessment | Final FY23 Sewer Assessment | Percent Change from FY22 | Final FY22 Combined Assessment | Final FY23 Combined Assessment | Dollar Change from FY22 | Percent Change from FY22 |
|--|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------|
| ASHLAND                                | \$0                         | \$0                         | -                        | \$2,752,284                 | \$2,886,173                 | 4.9%                     | \$2,752,284                    | \$2,886,173                    | \$133,889               | 4.9%                     |
| BURLINGTON                             | 0                           | 1,253,355                   | -                        | 6,168,357                   | 6,021,746                   | -2.4%                    | 6,168,357                      | 7,275,101                      | 1,106,744               | 17.9%                    |
| CANTON                                 | 1,507,385                   | 2,022,211                   | 34.2%                    | 4,765,395                   | 4,862,295                   | 2.0%                     | 6,272,780                      | 6,884,506                      | 611,726                 | 9.8%                     |
| NEEDHAM                                | 1,670,433                   | 1,464,186                   | -12.3%                   | 6,614,690                   | 6,760,854                   | 2.2%                     | 8,285,123                      | 8,225,040                      | (60,083)                | -0.7%                    |
| STOUGHTON                              | 167,480                     | 118,822                     | -29.1%                   | 5,434,313                   | 5,471,762                   | 0.7%                     | 5,601,793                      | 5,590,584                      | (11,209)                | -0.2%                    |
| WAKEFIELD                              | 2,825,130                   | 2,617,209                   | -7.4%                    | 6,748,184                   | 6,848,043                   | 1.5%                     | 9,573,314                      | 9,465,252                      | (108,062)               | -1.1%                    |
| WELLESLEY                              | 2,301,709                   | 3,325,451                   | 44.5%                    | 6,082,193                   | 6,273,587                   | 3.1%                     | 8,383,902                      | 9,599,038                      | 1,215,136               | 14.5%                    |
| WILMINGTON                             | 1,098,672                   | 716,510                     | -34.8%                   | 3,013,693                   | 3,230,781                   | 7.2%                     | 4,112,365                      | 3,947,291                      | (165,074)               | -4.0%                    |
| WINCHESTER                             | 2,093,282                   | 1,943,817                   | -7.1%                    | 4,535,279                   | 4,592,959                   | 1.3%                     | 6,628,561                      | 6,536,776                      | (91,785)                | -1.4%                    |
| WOBURN                                 | 4,936,119                   | 5,385,782                   | 9.1%                     | 9,490,135                   | 9,810,358                   | 3.4%                     | 14,426,254                     | 15,196,140                     | 769,886                 | 5.3%                     |
| <b>TOTAL</b>                           | <b>\$16,600,210</b>         | <b>\$18,847,343</b>         | <b>13.5%</b>             | <b>\$55,604,523</b>         | <b>\$56,758,558</b>         | <b>2.1%</b>              | <b>\$72,204,733</b>            | <b>\$75,605,901</b>            | <b>\$3,401,168</b>      | <b>4.7%</b>              |

| MWRA Sewer-only Customers | Final FY22 Water Assessment | Final FY23 Water Assessment | Percent Change from FY22 | Final FY22 Sewer Assessment | Final FY23 Sewer Assessment | Percent Change from FY22 | Final FY22 Combined Assessment | Final FY23 Combined Assessment | Dollar Change from FY22 | Percent Change from FY22 |
|---------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------|
| BEDFORD                   |                             |                             |                          | \$3,616,974                 | \$3,696,479                 | 2.2%                     | \$3,616,974                    | \$3,696,479                    | \$79,505                | 2.2%                     |
| BRAINTREE                 |                             |                             |                          | 10,463,134                  | 10,873,621                  | 3.9%                     | 10,463,134                     | 10,873,621                     | 410,487                 | 3.9%                     |
| CAMBRIDGE                 |                             |                             |                          | 27,759,220                  | 28,578,485                  | 3.0%                     | 27,759,220                     | 28,578,485                     | 819,265                 | 3.0%                     |
| DEDHAM                    |                             |                             |                          | 6,076,744                   | 6,153,066                   | 1.3%                     | 6,076,744                      | 6,153,066                      | 76,322                  | 1.3%                     |
| HINGHAM SEWER DISTRICT    |                             |                             |                          | 2,061,694                   | 2,132,150                   | 3.4%                     | 2,061,694                      | 2,132,150                      | 70,456                  | 3.4%                     |
| HOLBROOK                  |                             |                             |                          | 1,883,097                   | 1,936,893                   | 2.9%                     | 1,883,097                      | 1,936,893                      | 53,796                  | 2.9%                     |
| NATICK                    |                             |                             |                          | 6,126,567                   | 6,287,041                   | 2.6%                     | 6,126,567                      | 6,287,041                      | 160,474                 | 2.6%                     |
| RANDOLPH                  |                             |                             |                          | 6,830,622                   | 6,940,968                   | 1.6%                     | 6,830,622                      | 6,940,968                      | 110,346                 | 1.6%                     |
| WALPOLE                   |                             |                             |                          | 4,280,744                   | 4,449,485                   | 3.9%                     | 4,280,744                      | 4,449,485                      | 168,741                 | 3.9%                     |
| WESTWOOD                  |                             |                             |                          | 3,247,430                   | 3,274,616                   | 0.8%                     | 3,247,430                      | 3,274,616                      | 27,186                  | 0.8%                     |
| WEYMOUTH                  |                             |                             |                          | 13,632,330                  | 13,703,137                  | 0.5%                     | 13,632,330                     | 13,703,137                     | 70,807                  | 0.5%                     |
| <b>TOTAL</b>              |                             |                             |                          | <b>\$85,978,556</b>         | <b>\$88,025,941</b>         | <b>2.4%</b>              | <b>\$85,978,556</b>            | <b>\$88,025,941</b>            | <b>\$2,047,385</b>      | <b>2.4%</b>              |

| MWRA Water-only Customers | Final FY22 Water Assessment | Final FY23 Water Assessment | Percent Change from FY22 | Final FY22 Sewer Assessment | Final FY23 Sewer Assessment | Percent Change from FY22 | Final FY22 Combined Assessment | Final FY23 Combined Assessment | Dollar Change from FY22 | Percent Change from FY22 |
|---------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------|
| LYNNFIELD WATER DISTRICT  | \$861,938                   | \$865,543                   | 0.4%                     |                             |                             |                          | \$861,938                      | \$865,543                      | \$3,605                 | 0.4%                     |
| MARBLEHEAD                | 3,092,888                   | 2,941,372                   | -4.9%                    |                             |                             |                          | 3,092,888                      | 2,941,372                      | (151,516)               | -4.9%                    |
| NAHANT                    | 533,340                     | 578,355                     | 8.4%                     |                             |                             |                          | 533,340                        | 578,355                        | 45,015                  | 8.4%                     |
| SAUGUS                    | 4,860,987                   | 5,020,868                   | 3.3%                     |                             |                             |                          | 4,860,987                      | 5,020,868                      | 159,881                 | 3.3%                     |
| SOUTHBOROUGH              | 1,232,930                   | 984,014                     | -20.2%                   |                             |                             |                          | 1,232,930                      | 984,014                        | (248,916)               | -20.2%                   |
| SWAMPSCOTT                | 2,581,317                   | 2,552,649                   | -1.1%                    |                             |                             |                          | 2,581,317                      | 2,552,649                      | (28,668)                | -1.1%                    |
| WESTON                    | 2,837,540                   | 2,456,156                   | -13.4%                   |                             |                             |                          | 2,837,540                      | 2,456,156                      | (381,384)               | -13.4%                   |
| <b>TOTAL</b>              | <b>\$16,000,940</b>         | <b>\$15,398,957</b>         | <b>-3.8%</b>             |                             |                             |                          | <b>\$16,000,940</b>            | <b>\$15,398,957</b>            | <b>(\$601,983)</b>      | <b>-3.8%</b>             |

| MWRA Partial Water-only Customers | Final FY22 Water Assessment | Final FY23 Water Assessment | Percent Change from FY22 | Final FY22 Sewer Assessment | Final FY23 Sewer Assessment | Percent Change from FY22 | Final FY22 Combined Assessment | Final FY23 Combined Assessment | Dollar Change from FY22 | Percent Change from FY22 |
|-----------------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------------|--------------------------------|-------------------------|--------------------------|
| DEDHAM-WESTWOOD WATER DISTRICT    | \$620,024                   | \$256,078                   | -58.7%                   |                             |                             |                          | \$620,024                      | \$256,078                      | (\$363,946)             | -58.7%                   |
| LYNN (LWSC)                       | 125,688                     | 187,732                     | 49.4%                    |                             |                             |                          | 125,688                        | 187,732                        | 62,044                  | 49.4%                    |
| MARLBOROUGH                       | 6,589,994                   | 6,733,069                   | 2.2%                     |                             |                             |                          | 6,589,994                      | 6,733,069                      | 143,075                 | 2.2%                     |
| NORTHBOROUGH                      | 1,760,228                   | 1,508,715                   | -14.3%                   |                             |                             |                          | 1,760,228                      | 1,508,715                      | (251,513)               | -14.3%                   |
| PEABODY                           | 2,297,770                   | 3,781,670                   | 64.6%                    |                             |                             |                          | 2,297,770                      | 3,781,670                      | 1,483,900               | 64.6%                    |
| <b>TOTAL</b>                      | <b>\$11,393,704</b>         | <b>\$12,467,264</b>         | <b>9.4%</b>              |                             |                             |                          | <b>\$11,393,704</b>            | <b>\$12,467,264</b>            | <b>\$1,073,560</b>      | <b>9.4%</b>              |
| <b>SYSTEMS TOTAL</b>              | <b>\$277,415,068</b>        | <b>\$288,304,865</b>        | <b>3.93%</b>             | <b>\$514,668,932</b>        | <b>\$526,343,135</b>        | <b>2.27%</b>             | <b>\$792,084,000</b>           | <b>\$814,648,000</b>           | <b>\$22,564,000</b>     | <b>2.85%</b>             |

Massachusetts Water Resources Authority  
Clinton Wastewater Treatment Plant  
**Sewer User Charge Determination**

| BUDGETED EXPENSES: Final FY23            |             |
|--|-------------|
| Clinton Direct Operating Expenses:       | \$2,661,253 |
| MWRA Support Allocation:                 | 617,203     |
| Subtotal O&M Expenses:                   | \$3,278,456 |
| Total Debt Service Expenses:             | \$1,599,804 |
| Total Clinton Service Area Expenses      | \$4,878,261 |
| Less Revenue (City of Worcester Payment) | -210,531    |
| Clinton WWTP Rate Revenue Requirement:   | \$4,667,729 |

| WASTEWATER FLOW and FLOW SHARES: | CY2021               |                               |                       |
|----------------------------------|----------------------|-------------------------------|-----------------------|
|                                  | Town of Clinton Flow | Lancaster Sewer District Flow | Total Wastewater Flow |
| Average Daily Flow (MGD)         | 2.436                | 0.276                         | 2.712                 |
| Average Flow (MG/YR)             | 889.276              | 100.602                       | 989.878               |
| Proportional Share of Flow       | 89.84%               | 10.16%                        | 100.0%                |

Sewer User Charge Determination

| TOWN OF CLINTON                          |                    |
|--|--------------------|
| O&M Expenses                             | \$3,278,456        |
| Less Revenue (City of Worcester Payment) | -210,531           |
| O&M Expenses to be Recovered             | \$3,067,925        |
| Clinton's Share of Flow                  | 89.84%             |
| Clinton's Share of O&M Costs             | \$2,756,130        |
| <b>Total Clinton O&amp;M Charge</b>      | <b>\$2,756,130</b> |

| LANCASTER SEWER DISTRICT                             |                  |
|--|------------------|
| O&M Expenses   | \$3,278,456      |
| Less Revenue (City of Worcester Payment)             | -210,531         |
| O&M Expenses to be Recovered                         | \$3,067,925      |
| Lancaster's Share of Flow                            | 10.16%           |
| Lancaster's Share of O&M Costs                       | \$311,795        |
| <b>Total Lancaster Sewer District O&amp;M Charge</b> | <b>\$311,795</b> |

|                                    |             |
|------------------------------------|-------------|
| Debt Service Costs to be Recovered | \$1,599,804 |
| Clinton's Share of Wastewater Flow | 89.84%      |

|                                      |             |
|--------------------------------------|-------------|
| Debt Service Costs to be Recovered   | \$1,599,804 |
| Lancaster's Share of Wastewater Flow | 10.16%      |

|  |                    |
|--|--------------------|
| <b>Total Clinton Debt Service Charge</b> | <b>\$1,437,215</b> |
|--|--------------------|

|   |                  |
|---|------------------|
| <b>Total Lancaster Sewer District Debt Service Charge</b> | <b>\$162,589</b> |
|---|------------------|

|  |                    |
|--|--------------------|
| <b>Total Clinton O&amp;M and Debt Service Charge</b> | <b>\$4,193,345</b> |
|--|--------------------|

|  |                  |
|--|------------------|
| <b>Total Lancaster O&amp;M and Debt Service Charge</b> | <b>\$474,384</b> |
|--|------------------|

|  |                   |
|--|-------------------|
| <b>Less MWRA Water Ratepayer Subsidy</b>   | <b>-3,693,345</b> |
| Billable Charge to the Town of Clinton<br>as per CH. 307, Section 8 The Acts of 1987 | \$500,000         |

|   |           |
|---|-----------|
| Billable Charge to Lancaster Sewer District | \$474,384 |
|---|-----------|

Clinton WWTP Charges and Payment Schedule

| Sewer Customer                            | Billable Charges | Change from Prior Year |              |
|---|------------------|------------------------|--------------|
|   |                  |                        |              |
| Town of Clinton (billable)                | \$500,000        | \$0                    | 0.0%         |
| Lancaster Sewer District (before adj.)    | \$474,384        |                        |              |
| Lancaster Sewer District (prior yr. adj.) | -\$14,500        |                        |              |
| Lancaster Sewer District (billable)       | \$459,884        | \$16,001               | 3.6%         |
| <b>Total Billable Sewer Use Charges</b>   | <b>\$959,884</b> |                        |              |
| <b>City of Worcester</b>                  | <b>\$210,531</b> | <b>\$190,780</b>       | <b>10.4%</b> |

| Payment 1<br>on or before<br>Sept 15, 2022 | Payment 2<br>on or before<br>Nov 15, 2022 | Payment 3<br>on or before<br>Feb 15, 2023 | Payment 4<br>on or before<br>May 15, 2023 |
|--|---|---|---|
| \$125,000                                  | \$125,000                                 | \$125,000                                 | \$125,000                                 |
| \$114,971                                  | \$114,971                                 | \$114,971                                 | \$114,971                                 |
| <b>\$239,971</b>                           | <b>\$239,971</b>                          | <b>\$239,971</b>                          | <b>\$239,971</b>                          |
| <b>\$0</b>                                 | <b>\$0</b>                                | <b>\$210,531</b>                          | <b>\$0</b>                                |

# Massachusetts Water Resources Authority

## Chicopee Valley Aqueduct Water System Assessment

### FY2023 Budget and Assessments

| CVA Operating Budget                 | FY22               | FY23               | Change from Prior Year |             |
|--------------------------------------|--------------------|--------------------|------------------------|-------------|
|                                      |                    |                    | Dollars                | Percent     |
| CVA Cost Center Expenses             | \$955,678          | \$1,077,970        | \$122,292              | 12.8%       |
| Allocated Waterworks Expenses        | 151,498            | 149,654            | -1,844                 | -1.2%       |
| Allocated Watershed/PILOT            | 463,776            | 509,913            | 46,137                 | 9.9%        |
| Allocated Watershed Land Acquisition | 28,792             | 30,433             | 1,641                  | 5.7%        |
| Allocated MWRA Indirect Expenses     | 661,503            | 700,654            | 39,152                 | 5.9%        |
| <b>SUBTOTAL OPERATING BUDGET</b>     | <b>\$2,261,246</b> | <b>\$2,468,624</b> | <b>\$207,378</b>       | <b>9.2%</b> |

| CVA Capital Budget      | FY22               | FY23               | Change from Prior Year |             |
|-------------------------|--------------------|--------------------|------------------------|-------------|
|                         |                    |                    | Dollars                | Percent     |
| Capital Expenses        | \$3,048,338        | \$3,047,744        | -\$594                 | 0.0%        |
| <b>TOTAL CVA BUDGET</b> | <b>\$5,309,585</b> | <b>\$5,516,368</b> | <b>\$206,783</b>       | <b>3.9%</b> |

| BASE COMMUNITY ASSESSMENT         | FY22 <sup>1</sup>  | FY23 <sup>2</sup>  | Change from Prior Year |             |
|-----------------------------------|--------------------|--------------------|------------------------|-------------|
|                                   |                    |                    | Dollars                | Percent     |
| Chicopee                          | \$3,628,248        | \$3,847,836        | \$219,588              | 6.1%        |
| South Hadley Fire District #1     | 803,078            | 814,572            | 11,493                 | 1.4%        |
| Wilbraham                         | 878,258            | 853,960            | -24,298                | -2.8%       |
| <b>CVA BASE SYSTEM ASSESSMENT</b> | <b>\$5,309,585</b> | <b>\$5,516,368</b> | <b>\$206,783</b>       | <b>3.9%</b> |

| PRIOR PERIOD ADJUSTMENTS      | FY22 <sup>3</sup> | FY23 <sup>3</sup> | Change from Prior Year |              |
|-------------------------------|-------------------|-------------------|------------------------|--------------|
|                               |                   |                   | Dollars                | Percent      |
| Chicopee                      | -\$27,865         | -\$43,446         | -\$15,581              | 55.9%        |
| South Hadley Fire District #1 | -5,844            | -9,107            | -3,263                 | 55.8%        |
| Wilbraham                     | -5,699            | -8,833            | -3,134                 | 55.0%        |
| <b>TOTAL ADJUSTMENTS</b>      | <b>-\$39,408</b>  | <b>-\$61,386</b>  | <b>-\$21,978</b>       | <b>55.8%</b> |

| ADJUSTED ASSESSMENT           | FY22               | FY23               | Change from Prior Year |              |
|-------------------------------|--------------------|--------------------|------------------------|--------------|
|                               |                    |                    | Dollars                | Percent      |
| Chicopee                      | \$3,600,383        | \$3,804,390        | \$204,007              | 5.7%         |
| South Hadley Fire District #1 | 797,235            | 805,465            | 8,230                  | 1.0%         |
| Wilbraham                     | 872,559            | 845,127            | -27,432                | -3.1%        |
| <b>ADJUSTED ASSESSMENT</b>    | <b>\$5,270,177</b> | <b>\$5,454,982</b> | <b>\$184,805</b>       | <b>3.51%</b> |

<sup>1</sup> Based on CY2020 water use and before prior period adjustments.

<sup>2</sup> Based on CY2021 water use and before prior period adjustments.

<sup>3</sup> Prior period adjustment to account for budget to actual expenses.