

Water Department Status

- ▶ **Back to full staff**
 - Superintendent Darin LaFalam voted MA State Director of New England Water Works Association last fall
 - Rehired Will MacInnes to fill last open Operator position
 - Promoted Steve Olson to Distribution Foreman
- ▶ **Decided not to pursue switching to MWRA – more \$\$\$**
- ▶ **Finished upgrades to WTP chemical systems + coagulation**
 - Now confirming coagulation adequately reduces TTHMs
- ▶ **Still busy with ongoing capital projects**
 - Adequately handle residuals from coagulation process
 - Replace Tower Rd Well and upgrade chemical systems
 - Evaluate emergency interconnect with Wayland

Operating Budget Summary

- ▶ **Proposing 2.4% increase consistent with Fincom guidance ***
 - Personnel costs now reflect full staff and higher base due to shortage of qualified water personnel
 - Increases “water works supplies” for more aggressive repair schedule
 - Includes \$22k preferred item for green electricity
 - Eliminates last 2 years practice of “contingency” line item
 - Increases Reserve Fund from \$50k to \$75k

** Not strictly required since Water Dept is an Enterprise Fund.*

Proposed Operating Budget

Category	FY22 Appropriated	FY23 Proposed	\$ Increase	% Increase
Personnel Services	\$ 616,686	\$ 650,526	\$ 33,839	5.5%
Operations and Supplies	\$ 374,000	\$ 427,775	\$ 53,775	14.4%
Engineering and Outside Services	\$ 223,000	\$ 230,000	\$ 7,000	3.1%
Govt Fees, Office Supplies, and Misc	\$ 42,500	\$ 38,000	\$ (4,500)	-10.6%
Debt Service	\$ 480,000	\$ 480,000	\$ -	0.0%
Budget Contingency	\$ 45,500	\$ -	\$ (45,500)	-100.0%
Transfer to General Fund	\$ 60,000	\$ 60,000	\$ -	0.0%
OPEB Contribution	\$ 40,000	\$ 40,000	\$ -	0.0%
Total	\$ 1,881,686	\$ 1,926,301	\$ 44,614	2.4%
Reserve Fund	\$ 50,000	\$ 75,000	\$ 25,000	50.0%

Capital Requests via ARPA Funding*

	Item	Description	Amount
A	Replace Tower Rd well **	Current 50yr old well cannot be pumped at desired rates, even following aggressive cleanings, due to clogged shutter-type screen.	\$600,000
B	Repair Bedford Rd Storage Tank cover ***	Tank cover concrete is breaking down, and water ponding is occurring. Repairs will give it a slightly convex shape with an epoxy coating and extend life of tank by decades.	\$500,000
C	Distribution System Repairs	Budget to handle backlog of repairs to fire hydrants, gate valves and curb stops, and enable a proactive exercise program.	\$200,000
	Total Capital Request via ARPA Funding		\$1,300,000

* – Subject to approval by Select Board

** – Should allow future rescinding of previous \$480,000 appropriation at May 2021 Town Meeting

*** – Should allow future rescinding of previous \$39,000 appropriation at May 2021 Town Meeting

Aging Infrastructure

Routine Vehicle Replacement

Capital Planning

Capital Requests via Town Funding*

	Item	Description	Amount	Funding Source
D	Replace Water Treatment Plant Roof	Replace 20yr old roof of Water Treatment Plant, to protect newly replaced equipment inside the Plant.	\$80,000	Bonding
Sub-Total from Borrowing			\$80,000	
E	Truck Replacement	Replace 2010 Ford Ranger truck, which was used for plowing, has a rotting frame, and is no longer safe to drive.	\$40,000	Water Retained Earnings
F	Asset Management Plan	Develop an Asset Management Plan that will include an inventory and assessment of all assets, a risk-based capital plan for those assets, funding analysis and associated software and training. This appropriation would pay Lincoln's portion of a Mass DEP funded program which is 60% state funded, 20% LWD in kind services and 20% funded by LWD.	\$22,500	Water Retained Earnings
Sub-Total from Water Retained Earnings			\$62,500	
Total Capital Requests via Town Funding				\$142,500

* – Subject to resident approval at Town Meeting

Aging Infrastructure	Routine Vehicle Replacement	Capital Planning
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Retained Earnings

Description	FY '18	FY '19	FY '20	FY '21	FY '22	Comment
Beginning Balance	\$ 1,536,091	\$ 1,346,916	\$ 960,668	\$ 749,480	\$ 1,439,399	Same as prior FY's ending balance
Appropriations	\$ (170,000)	\$ (563,832)	\$ (390,000)	\$ (127,600)	\$ (137,500)	Could be for current FY or encumbered for budget of next FY
Generated during current FY	\$ (19,175)	\$ 177,584	\$ 178,812	\$ 817,519	***	Not known until after books close at end of FY
Ending Balance	\$ 1,346,916	\$ 960,668	\$ 749,480	\$ 1,439,399	\$ 1,301,899	This is the amount certified by the state for the "generating" FY

Proposed for
FY23 Budget

*** – Commissioners expect Water Rates adopted Feb 2020 to generate positive Retained Earnings in this FY22

Annual Cost Comparison to Other Towns

Nearby Towns	70,000 Gallons/year	Small Towns	70,000 Gallons/year
Sudbury	\$511		
Concord	\$609		
Lexington	\$632	Newbury (Byefield)	\$505
Bedford	\$637	Groveland	\$592
Lincoln	\$656	Lincoln	\$656
Wayland	\$770	Merrimac	\$732
		Rockport	\$889
		Mendon	\$963
		Dover	\$1,058
		Topsfield	\$1,402
		Rowley	\$1,396
Median excl Lincoln	\$632		\$926
Average excl Lincoln	\$632		\$942

Note: Mass DEP goal is 65 gallons per person per day or 23,725 gallons per person per year.

Note2: Including half of sewer base charge for Lexington vs water base charge in other towns.

Note3: "Small Towns" are within 750 people of Lincoln's population per 2018 census.

Source: Town water dept websites, author's calculations.

Challenges

- ▶ Completion of multiple infrastructure projects on time/on budget
- ▶ Construction cost increases and limited contractor availability
- ▶ *Replacement strategy for aging water mains*