

THE COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

In City Council

LOAN ORDER

IT IS ORDERED BY THE CITY COUNCIL OF THE CITY OF LOWELL BY A MAJORITY VOTE OF ALL OF ITS MEMBERS, as follows:

Ordered: That the appropriation approved by the City Council on June 11, 2019 in the amount of \$67,000,000 authorized for various wastewater system capital improvements is hereby rescinded in part in the amount of \$14,904,832.00.



Conor Baldwin
 Chief Financial Officer

MEMORANDUM

TO: Thomas A. Golden, Jr., City Manager

FROM: Conor Baldwin, Chief Financial Officer 

CC: Austin Ball, Deputy CFO

DATE: May 21st, 2024

SUBJECT: Vote – Authorize \$175 million Loan Order / Rescind \$67 million Loan order– Wastewater Capital

The Wastewater Enterprise Fund is in need of a new loan order of \$175 million for future capital projects relating to a consent decree with the Environmental Protection Agency (“EPA”). Also, the enterprise fund requires a vote to rescind the current loan order of \$67 million, to accompany this new authorization. Of the approved \$67 million loan order, currently \$14.9 remains unspent or unencumbered and that is the amount the Finance Team is proposing we rescind in order to issue this new appropriation. The Executive Director of Wastewater goes into further depth regarding some of the mandated projects that the city is going to be required to complete with the new loan authorization. Below you will see a couple of charts, one is the projected spending schedule until 2029 as well as a forecast provided by the Finance Team.

2025 BUDGETED	2025 PROJECTED	2026 PROJECTED	2027 PROJECTED	2028 PROJECTED	2029 PROJECTED
	12.00%	20.00%	9.00%	9.00%	9.00%
\$22,328,321	\$ 20,400,109	\$ 24,480,131	\$ 26,683,343	\$ 29,084,843	\$ 31,702,479
\$ 1,100,000	\$ 1,158,516	\$ 1,297,538	\$ 1,557,046	\$ 1,697,180	\$ 1,849,926
\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
\$ -	\$ 3,655	\$ 3,655	\$ 3,655	\$ 3,655	\$ 3,655
\$ 19,000	\$ 16,688	\$ 16,688	\$ 16,688	\$ 16,688	\$ 16,688
\$ 1,614,000	\$ 1,685,025	\$ 1,769,276	\$ 1,857,740	\$ 1,950,627	\$ 2,048,158
\$ 2,105,414	\$ 2,210,591	\$ 2,321,121	\$ 2,437,177	\$ 2,559,035	\$ 2,686,987
\$ 2,325,568	\$ 2,448,906	\$ 2,571,352	\$ 2,699,919	\$ 2,834,915	\$ 2,976,661
\$ 200,000	\$ 237,446	\$ 237,446	\$ 237,446	\$ 237,446	\$ 237,446
\$31,692,303	\$ 30,160,936	\$ 34,697,206	\$ 37,493,013	\$ 40,384,389	\$ 43,522,000
\$ 1,293,879	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$32,986,182	\$ 30,160,936	\$ 34,697,206	\$ 37,493,013	\$ 40,384,389	\$ 43,522,000
\$ 4,289,025	\$ 4,289,025	\$ 4,417,696	\$ 4,550,227	\$ 4,686,734	\$ 4,827,336
\$12,387,944	\$ 12,387,944	\$ 12,635,703	\$ 12,888,417	\$ 13,146,185	\$ 13,409,109
\$ 9,209,677	\$ 9,148,744	\$ 8,729,384	\$ 8,639,454	\$ 8,540,966	\$ 8,224,368
\$ -	\$ -	\$ 690,783	\$ 1,649,441	\$ 4,035,161	\$ 6,757,326
\$ -	\$ 317,513	\$ 818,723	\$ 856,371	\$ 167,214	\$ 434,369
\$25,886,646	\$ 26,143,226	\$ 27,292,288	\$ 28,583,911	\$ 30,576,261	\$ 33,652,508
\$ 7,099,536	\$ 7,099,536	\$ 7,312,522	\$ 7,531,898	\$ 7,757,855	\$ 7,990,590
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$32,986,182	\$ 33,242,762	\$ 34,604,810	\$ 36,115,808	\$ 38,334,116	\$ 41,643,098
\$ -	\$ (3,081,826)	\$ 92,396	\$ 1,377,204	\$ 2,050,274	\$ 1,878,902
	\$ 1,287,335	\$ (500,612)	\$ (408,216)	\$ 968,988	\$ 3,019,262



Conor Baldwin
 Chief Financial Officer

		Estimated Cost (millions)	2024	2025	2026	2027	2028	2029
CMOM			\$11.08	\$34.57	\$44.85	\$34.08	\$17.94	\$30.24
	CMOM Correction Program							
	CMOM Program Updates	\$0.75						
Infiltration/Inflow Program								
	Annual SSES Design	\$5.1						
	I/I Reduction Projects in Sanitary System	\$18.0						
	Subtotal	\$23.1						
Humphrey's Brook Area Separation Project								
	Preliminary Design	\$1.3						
	Phase 1 Final Design							
	Phase 1 Project Bidding	\$53.9						
	Phase 1 Project Construction							
	Phase 2 Final Design	\$87.9						
	Phase 2 Project Bidding							
	Phase 2 Project Construction							
	Subtotal	\$143.1						
Phase 3 Sewer Separation Program								
	Preliminary Design	\$1.9						
	Implementation Schedule Development							
	Project 1 Design/Construction	\$25.0						
	Project 2 Design/Construction	\$25.0						
	Project 3 Design/Construction	\$25.0						
	Project 4 Design/Construction	\$25.0						
	Subtotal	\$101.9						
Wentworth-Douglas Road CSO Storage								
	Design	\$0.9						
	Bidding	\$9.0						
	Construction	\$9.9						
	Subtotal	\$9.9						
Duck Island WWTP Wet Weather/Capacity Improvements								
	Design	\$1.3						
	Bid							
	Construction	\$28.1						
	Subtotal	\$29.4						
MS4 Compliance Program								
	Stormwater Field Support	\$3.00						
	IDDE Program (Identification and Removal)	\$0.50						
	Phosphorus Control	\$1.00						
	Subtotal	\$4.5						
Misc. Engineering Support/Reporting		\$2.0						
Updated Integrated CSO LTCP		\$2.5						
TOTAL		\$317.1						
Annual Costs								
	CMOM		\$0.5	\$0.25				
	I/I		\$0.7	\$0.4	\$2.6	\$2.6	\$2.7	\$2.6
	Humphrey's Brook		\$1.3	\$5.3	\$30.0	\$18.6	\$1.6	\$15.0
	Sewer Sep		\$2.15	\$1.00	\$5.25	\$12.00	\$13.00	\$12.00
	WWTP		\$5.6	\$17.2	\$6.3	\$0.3		
	Storage		\$0.2	\$9.7				
	MS4		\$0.5	\$0.5	\$0.5	\$0.5	\$0.5	\$0.5
	Reporting/SCADA		\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
	LTCP							
	TOTAL	\$317.8	\$11.1	\$34.6	\$44.8	\$34.1	\$17.9	\$30.2
NOTES:						\$172.8		



Eileen M. Donoghue
City Manager

May 21st, 2024

Mayor Daniel Rourke
And
Members of the Lowell City Council

Dear Mayor Rourke and Members of the Lowell City Council,

Enclosed is a vote to rescind a previously authorized loan order in the amount of \$14.9 million. This rescinding is needed in order to appropriate additional funding for the mandated work by the EPA. The city has been in negotiations with the EPA and has settled on terms of a Consent Decree. The Consent Decree will have a major financial impact on the Wastewater fund in the years to come. To accompany this vote there is also a separate vote to authorize an additional \$175 million loan for the enterprise fund.

This two loan authorization's are tied directly to the city's recent lodged consent decree with the EPA. The need for future rate increases to the wastewater fund to keep pace with this unfunded mandate by the U.S Government will be brought forth as needed by the Finance Team. The city in this consent decree must do a number of different things including sewer separation in the Centralville area, I/I CMOM inspection and repairs, stormwater management planning as well as future sewer separation. The Finance Team and the Wastewater team will work closely together to examine ways to reduce this burden on the residents including, utilizing the Massachusetts Clean Water Trust ("MCWT") to finance some of this funding as well as examine our current inter-municipal agreements with Tyngsboro, Chelmsford, Dracut and Tewksbury to pass along some of the debt service costs to their respective communities.

Further detailed financial analysis can be found in the Chief Financial Officer's memorandum.

Sincerely,

Thomas A. Golden, Jr.
City Manager

CC: Conor Baldwin, Chief Financial Officer
Aaron Fox, Wastewater Director