

COMMONWEALTH OF MASSACHUSETTS
CITY OF LOWELL

In City Council

ORDINANCE

An Ordinance Amending the Code of Ordinances City of Lowell, Massachusetts, with respect to Chapter 272, Article VI §272-87 entitled "Annual Sewer Use Charge".

It is necessary to amend §272-87 entitled "Annual Sewer Use Charge" with respect to fees.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOWELL, as follows:

"The Code of Ordinances of the City of Lowell, Massachusetts", adopted by the City Council on December 23, 2008, as amended, is hereby further amended, with respect to Chapter 272 entitled "Water and Sewers", as follows:

§272-87. Annual Sewer Use Charge is hereby amended as follows:

By deleting the rate schedule listed and substituting the following rates, effective July 1, 2024:

<u>Number of hundred cubic feet of wastewater discharge per quarter</u>	<u>Rate per hundred cubic feet per quarter</u>
First 50 (base rate)	6.32
51 – 100	6.74
101 – 200	6.84
201 – 500	6.96
Over 500	7.06

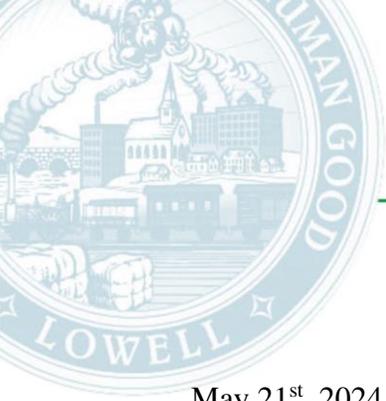
Minimum wastewater charge equal to rate charged for 1400 cubic feet based on above rate schedule.

All provisions of the Code of the City of Lowell, as amended, which are consistent with this Ordinance shall continue in effect but all provisions of said Code inconsistent herewith are repealed.

This Ordinance shall take effect upon its passage in accordance with the provisions of Chapter 43 of the General Laws of the Commonwealth of Massachusetts, as amended, but as specified herein, the rate provisions become effective, retroactive, to July 1, 2024.

APPROVED AS TO FORM:

Corey Williams
City Solicitor



Thomas A. Golden, Jr.
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,

In 2019, the City Council approved a \$67 million loan authorization financed by the sewer enterprise in order to fund various capital expenses included in phase 3 of the sewer long-term capital plan. Since that time, the city has negotiated the terms of a consent decree with the EPA. The city in this consent decree was mandated by the EPA to do various projects throughout the city including, sewer separation work. Due to this you will see a vote to rescind the original loan order and to reissue a revised amount as well as this ordinance to increase the sewer rates. The upcoming debt service associated with these projects are the major driver for this new loan authorization.

With these upcoming expenses the Wastewater team will look to find creative ways to reduce the impact on rates in the future. One such way that the administration is looking into is to try to pass some of the debt service costs to the surrounding towns through our inter-municipal agreements. The Lowell Regional Wastewater Treatment Plant, services several other abutting towns to Lowell and subsequently pay the Wastewater enterprise fund fees on a yearly basis through these services. Another strategic way we will look to mitigate this impact, is to try to work with the Massachusetts Clean Water Trust (“MCWT”) to pursue low-interest financing on eligible water projects.

The proposed amendment is extremely modest and, the timing is such that the additional debt service can be incorporated over time, if we continue to implement gradual rate increases. The true purpose of enterprise accounting is such that the users pay for the costs of the service in a way that is proportional to their usage. This method is far more fair and equitable than the alternative: for the cost of the water operation to be borne by all taxpayers uniformly. By employing enterprise fund accounting, the rates are set commensurate with the operation and the city can be sure that entities which pay for utilities like water and sewer, but are exempt from taxes under state law are paying their fair share.

Attached please find a vote to amend the sewer rate for FY25. The change in rate is detailed in the table below.



Thomas A. Golden, Jr.
City Manager

FY 2024	Tiers					
	Min. (0-14)	1 (14-50)	2 (51-100)	3 (101-200)	4 (201-500)	5 (Over 500)
Residential	\$78.96	\$5.64	\$6.02	\$6.11	\$6.21	\$6.30
Elderly	N/A	\$5.09	\$5.37	\$5.46	\$5.55	\$5.63
Commercial	\$78.96	\$5.64	\$6.02	\$6.11	\$6.21	\$6.30

FY 2025	Tiers					
	Min. (0-14)	1 (14-50)	2 (51-100)	3 (101-200)	4 (201-500)	5 (Over 500)
Residential	\$88.44	\$6.32	\$6.74	\$6.84	\$6.96	\$7.06
Elderly	N/A	\$5.70	\$6.02	\$6.11	\$6.21	\$6.30
Commercial	\$88.44	\$6.32	\$6.74	\$6.84	\$6.96	\$7.06

* This represents an increase of approximately \$14.21 per quarterly bill for the average residential user

Sincerely,

Thomas A. Golden, Jr.
City Manager

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