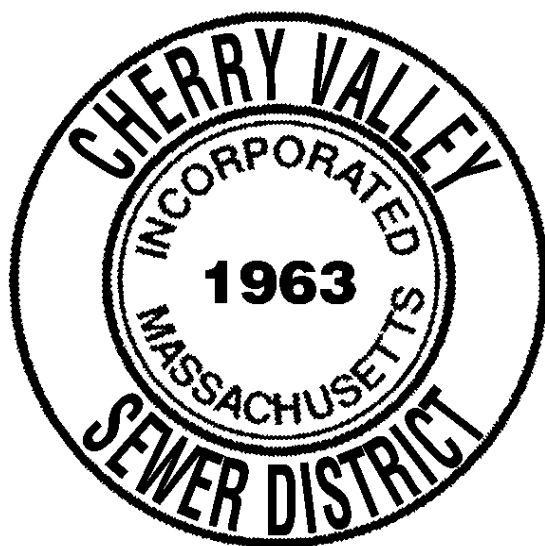


1963

2023

Cherry Valley Sewer District



Annual Report

June 30, 2023

Cherry Valley Sewer District
Annual Meeting
May 25, 2023

COMMISSIONERS REPORT

To the people of the Cherry Valley Sewer District:

Greetings:

Your Board of Sewer Commissioners respectfully submits their 60th Annual Report for the fiscal year ending June 30, 2023.

The Commissioners are pleased to report that 452 homes have connected to the sewer system.

The Cherry Valley Sewer District (District) operates its sewer system by discharging or transporting its sewage through the City of Worcester into the Upper Blackstone Wastewater Treatment Facility for treatment and release into the Blackstone River. This method of operation was proposed, discussed and accepted by the voters of the District in 2001 as the most cost-effective means of transporting and treating the sewage generated by the District. In turn, the City of Worcester assesses a transportation fee for sewage that flows from the District through the City of Worcester to Upper Blackstone. The Upper Blackstone assesses a treatment fee for that same sewage received from the District via the City of Worcester sewerage system.

The FY 2024 Budget reflects a fee increase of \$29,905.21. That is directly attributed to increased costs from vendors and suppliers to maintain the current operation of the sewer district.

The staff is working diligently to address issues within the system that come about. Since 2018 flow monitoring and I/I work has resulted in a significant reduction in overall total sewage flow to the City of Worcester. In 2021, the District was charged for approximately 33 million gallons of sewage that flowed into the City of Worcester. Of the 33 million gallons approximately 16 million gallons was considered Inflow and Infiltration water that was not consumed by ratepayers. Although the amount of I/I has increased slightly over the past year, the overall amount of I/I the District has been dealing with in the past years has still decreased. Reducing the average flow for the past 3 years resulted in a **2.4%** decrease to the charges from the Upper Blackstone for sewerage treatment. The operations staff will continue monitoring flows in hopes of seeing more savings and less I/I in the future.

Daily flow rates into Worcester determine our quarterly bill from the City of Worcester. The flows have been becoming more manageable through on-going inspection and Inflow/ Infiltration (I/I) repairs in the system (Inflow/Infiltration refers to any non-sewer related water that enters the system), that the ratepayers must pay for. To minimize I/I that enters the system, operational staff inspects and repairs manhole structures that are in poor condition that allow water to enter into the system. The Superintendent researched and began to implement a newer technology for sewer manhole rehabilitation that utilizes a recycled plastic material as the risers for the chimney portion of the sewer manholes, that eliminates the need for replacing and patching the traditionally used bricks, and mortar. Additional technologies are being investigated in hopes for manhole repairs and construction moving forward within the District. The staff continues to prioritize manholes in need of repairs and rehabilitation within the means of our operations budget.

Residential sump pumps are a large contributor to I/I being discharged into the sewer systems. If you have a sump pump in your home, it should not be connected to our system, and would like to remind our ratepayers that connecting sump pumps to the sewer system is against the Districts Rules and Regulations (Article VI). In an effort to locate illegal sump pump connections, staff started an inspection program by attempting to go door to door to each home of the District to inspect and to educate the homeowners about sump pumps. To date, no connections have been found, however, only about 25% of the homes visited have allowed staff access to complete the inspection.

In addition to these inspections staff has been contracting out companies who specialize in sewer pipe camera work and sewer main cleaning. The intent of this work is to see what is flowing through the pipes and any points of I/I entering the system that can not be seen from the surface above.

Since 2018 the staff has utilized a USDA funded consulting group known as RCAP. Previously RCAP has assisted the district with financial review of operations of both the Water and Sewer District and worked with staff to develop a GIS system for both entities. In 2022 RCAP was contacted about working with the District to create and implement an asset management plan and capital improvement plan. In order to create the capital improvement, plan, the asset management plan needed to be developed first. Throughout 2022 staff assisted RCAP in gathering the necessary data to create this

plan. The plan is very comprehensive and is designed to include all assets of the district including all technology related equipment, water treatment equipment, vehicles, water tanks, valves, & buildings. The plan will take this information and project out a life expectancy period and become a tool for the district in forecasting the replacement of assets. The project should be finalized early summer and transitioning to the capital improvement plan phase.

Please know that the Commissioners and the District Staff take the issues facing the District very seriously and are continuously seeking viable solutions for the ratepayers. Future growth of the sewer system could potentially assist the current ratepayers. If you have any questions on this matter or anything else in regards to the Sewer District, contact the District office and Staff will be able to assist you.

Respectfully submitted on behalf of the Commissioner's,

Benjamin Morris
Superintendent

**CHERRY VALLEY SEWER DISTRICT
P.O. BOX 138
ROCHDALE, MA 01542
ANNUAL MEETING
WARRANT**

To: Cheryl Balkus, District Clerk
Cherry Valley Sewer District

Greetings:

You are hereby directed to notify the Voters of the Cherry Valley Sewer District to meet in the Town Hall Auditorium, 3 Washburn Square, Leicester, Massachusetts Thursday, and the 25th day of May 2023 at 7:00 P.M. then and there to act on the following:

ARTICLE 1: MODERATOR

To elect a Moderator to preside at said meeting and for a period of one (1) year thereafter.

PROPOSED MOTION:

I move that the clerk of the District declare that the polls are open to cast ballots for the election of moderator for a term of one (1) year.

DESCRIPTION:

This article is an annual procedural article as the Moderator is the individual that will preside over tonight's meeting as well as the beginning of the 2024 Annual Meeting at which time the process is repeated.

ARTICLE 2: REPORTS

To act on reports of the District.

PROPOSED MOTION:

I move that the District vote to accept the Reports of the District as printed in the 2023 Annual Report, which is in the hands of the voters present.

DESCRIPTION:

The printed report of the Commissioners provides the District members with an annual update of the District's activities during fiscal year 2023 and the report of the District Treasurer provides the District members with an update of the District's audited activity during fiscal year ending 2021 and 2022, respectively.

ARTICLE 3: COMMISSIONER

To elect a Sewer Commissioner for a term of three (3) years.

PROPOSED MOTION:

I move that the Clerk of the District declare that the polls are open to cast ballots for the election of Commissioner for a term of three (3) years.

DESCRIPTION:

The Board of Sewer Commissioners has three members each serving a three year term.

The winner of the election will take effect when annual meeting closed. Absent any directive in bylaw or enabling act.

ARTICLE 4: BUDGET

To see if the District will vote to raise and appropriate transfer from available funds, or otherwise provide a sum of money from any available means, for the operating budget for Fiscal Year 2024, to provide for the District's annual operating requirements, including but not limited to, salaries, related services, office expenses, maintenance, construction and other items related thereto: to execute any instruments or documents necessary or appropriate to accomplish said purposes: and to take any other action thereon.

PROPOSED MOTION:

I move that the District vote to appropriate from available funds, the sum of **\$722,636.44 (Seven hundred twenty two thousand six hundred thirty-six dollars and forty-four cents.)**, for the operating budget of Fiscal Year 2024, to provide for the District's annual operating requirements, including but not limited to, salaries, related services, office expenses, maintenance and construction.

DESCRIPTION:

This article funds the fiscal year 2024 operating budget, which includes funding all operations of the District, debt service payments, transportation costs (City of Worcester and Upper Blackstone).

ARTICLE 6: REVOLING FUND FOR CONSTRUCTION

To see if the District will vote to authorize the Board of Sewer Commissioners to establish a fund to receive and deposit fee paid pursuant to Chapter 33 of the Acts of 1998, and, from which expenditures may be made by the Board of Sewer Commissioners for legal services, administrative services and engineering services, (including but not limited to, design, plan review, and inspection of the project being constructed) in connection with any sewer system design, review, and construction, or take any action thereon.

PROPOSED MOTION:

I move that the District vote to authorize the Board of Sewer Commissioners to establish a fund to receive and deposit fees paid pursuant to Chapter 33 of the Acts of 1998, and, from which expenditures may be made by the Board of Sewer Commissioners for legal services, administrative services and engineering services (including but not limited to, design, plan review, and inspection of the project being constructed) in connection with any sewer system design, review, and construction.

DESCRIPTION:

This article establishes a "revolving account for review of new construction projects within the service area of the district". It provides the means for the District to collect funds from the proposer of the new construction project to pay costs including but not limited to, design, plan review, and inspection of the project being constructed and associated with new construction projects with no impact to the FY24 operating budget and no expense to the district rate payers.

For Example, if a new development came into the district our engineer has to review the plans to make sure it will allow us to supply sewer connections to the new development. This warrant article allows us to collect the fees from the new development in order to pay our engineering fees so the cost is not absorbed by the district subscribers.

This is a non-money article. This is a house keeping article.

You are hereby directed to give notice of this Warrant by posting attested copies thereof at two public places within the limits of the Cherry Valley Sewer District and with the Clerk of the Town of Leicester seven days before time of said meeting.

Given under our hands this 13th day of April 2023.

A TRUE COPY ATTEST:

Donald G. Manseau, Chairman

Cheryl Balkus
Clerk-Cherry Valley Sewer District

Robert H. Lemieux, Sr. Commissioner

(SEAL)

Peter Cusolito, Commissioner

**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021**

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,183,106	\$ 942,559
Accounts Receivable	123,755	159,526
Interest Receivable	21,382	25,524
Due from Cherry Valley Rochdale Water District	3,174	13,492
Prepaid Expenses	4,185	3,902
Total Current Assets	1,335,602	1,145,003
NON-CURRENT ASSETS		
Sewer Betterments Receivable	368,078	438,212
Capital Assets, Net	3,765,847	4,174,449
Total Non-Current Assets	4,133,925	4,612,661
TOTAL ASSETS	\$ 5,469,527	\$ 5,757,664
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accrued Expenses	\$ 50,093	\$ 51,943
Accrued Interest	17,602	41,534
Current Portion of Long-Term Debt	113,647	195,481
Total Current Liabilities	181,342	288,958
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Portion	2,268,327	2,244,338
Deferred Revenue	368,078	438,212
Total Long-Term Liabilities	2,636,405	2,682,550
Total Liabilities	2,817,747	2,971,508
NET POSITION		
Invested in Capital Assets, Net of Related Debt	1,383,873	1,734,630
Restricted:		
Reserved for Operations and Maintenance	-	583,477
Reserved for Future Debt Service	1,267,907	468,049
Total Net Position	2,651,780	2,786,156
TOTAL LIABILITIES AND NET POSITION	\$ 5,469,527	\$ 5,757,664

**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Sewer User and Connection Fees	\$ 750,333	\$ 815,462
Sewer Betterments, Net	66,961	62,468
Tax Title	13,388	53,846
Other Revenue	1,895	14,916
	832,577	946,692
Total Operating Revenues	832,577	946,692
OPERATING EXPENSES		
Depreciation Expense	408,602	408,602
Sewerage and Disposal Fee	188,853	152,637
Service Agreement Reimbursements	137,311	131,312
Dues	95,390	110,302
Outside Services	28,095	9,292
Professional Services	20,257	13,397
Insurance and Surety Bond	11,945	11,083
Other Operating Expenses	10,572	4,466
Payroll and Related Expenses	5,044	2,283
Utilities	4,006	3,226
	910,075	846,600
Total Operating Expenses	910,075	846,600
OPERATING INCOME (LOSS)	(77,498)	100,092
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	13,631	22,270
Interest Expense	(70,509)	(118,094)
	(56,878)	(95,824)
TOTAL NON-OPERATING EXPENSES	(56,878)	(95,824)
INCREASE (DECREASE) NET POSITION	(134,376)	4,268
NET POSITION, BEGINNING OF YEAR	2,786,156	2,781,888
NET POSITION, END OF YEAR	\$ 2,651,780	\$ 2,786,156

**CHERRY VALLEY SEWER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Property Owners	\$ 66,565	\$ 75,308
Received from Customers	766,521	809,247
Other Operating Revenue	35,262	22,773
Paid to Employees and Professional Contractors for Services	(170,450)	(142,887)
Paid to Suppliers for Goods and Services	<u>(322,838)</u>	<u>(325,694)</u>
Net Cash Provided By Operating Activities	<u>375,060</u>	<u>438,747</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest Income	17,773	25,539
Principal Payments on Long Term Debt	(57,845)	(187,487)
Interest Paid on Long-Term Debt	<u>(94,441)</u>	<u>(122,541)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(134,513)</u>	<u>(284,489)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	240,547	154,258
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>942,559</u>	<u>788,301</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,183,106</u></u>	<u><u>\$ 942,559</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Changes in Operating Activities	\$ (77,498)	\$ 100,092
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation Expense	408,602	408,602
Changes in Assets and Liabilities:		
Accounts Receivable	35,771	(39,364)
Due from Related Party	10,318	(15,767)
Prepaid Expenses	(283)	(270)
Accrued Expenses	<u>(1,850)</u>	<u>(14,546)</u>
Total Adjustments	<u>452,558</u>	<u>338,655</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 375,060</u></u>	<u><u>\$ 438,747</u></u>

**CHERRY VALLEY SEWER DISTRICT
OPERATING EXPENSES**

	FY 23		FY 24
Accounting	\$ 13,000.00		\$ 13,845.00
Allowance	\$ 7,500.00		\$ 7,500.00
Bank Fees	\$ 200.00		\$ 200.00
Consulting Fees	\$ 3,000.00		\$ 3,000.00
Electricity	\$ 7,000.00		\$ 7,000.00
Field Supplies	\$ 3,300.00		\$ 3,514.50
Heat	\$ 5,407.50		\$ 1,320.00
Office Electricity	\$ -		\$ 8,055.11
Insurance	\$ 13,141.00		\$ 17,692.40
Health Insurance	\$ 20,447.96		\$ 20,897.82
Workers Comp			\$ 1,578.06
Legal	\$ 7,000.00		\$ 7,000.00
Miscellaneous	\$ 200.00		\$ 200.00
Mission / SCADA	\$ 4,327.00		\$ 4,327.00
Motor Vehicle Expense	\$ 5,400.00		\$ 5,400.00
Office Supply	\$ 7,890.00		\$ 6,060.00
Officers' Salary	\$ 5,143.00		\$ 5,143.00
Payroll	\$ 80,112.08		\$ 83,630.55
Pipes	\$ 2,300.00		\$ 2,449.50
Postage	\$ 3,000.00		\$ 3,105.00
Repair/Maintenance	\$ 8,911.00		\$ 15,000.00
Sub Contracts	\$ 18,000.00		\$ 23,000.00
Technology	\$ 18,820.19		\$ 19,514.50
Telephone	\$ 1,513.50		\$ 1,560.00
Transport./Treatment Expenses	\$ 220,000.00		\$ 226,000.00
UBWPAD	\$ 75,099.00		\$ 73,625.00
	\$ 530,712.23		\$ 560,617.44
Reserve Account	\$ 20,000.00		\$20,000.00
Debt Service	\$ 142,019.00		\$ 142,019.00
Total with Debt Service	\$ 692,731.23		\$ 722,636.44

CHERRY VALLEY SEWER DISTRICT

RECORD OF VOTE ANNUAL MEETING May 26, 2022

A meeting of the Cherry Valley Sewer District was held at the Leicester Town Hall Auditorium, 3 Washburn Square, Leicester, Massachusetts, ten (10) were in attendance, all of whom were eligible voters.

The meeting was called to order at 7:00 P.M. by Mr. Kevin Bergin, Moderator. A motion was made and seconded that the District vote to waive the reading of the Annual Warrant, which was in the hands of the voters.

Voted: Unanimously. All in favor. Approved.

ARTICLE 1 – MODERATOR

A motion was made and seconded that the District vote to nominate Mr. Kevin M. Bergin as moderator to preside at tonight’s meeting and for a period of one (1) year hereafter.

Voted: Majority. Approved.

ARTICLE 2 – REPORTS

A motion was made and seconded that the District vote to accept the Reports of the District as printed in the 2022 Annual Report, which was in the hands of the voter’s present.

Voted: Majority. Approved.

ARTICLE 3 – ELECTION OF OFFICERS

A motion was made and seconded that the District vote to nominate Robert Lemieux, for the office of Commissioner for a term of three (3) years.

Voted: Majority. Approved.

ARTICLE 4 – PART TERM COMMISIONER

A motion was made and seconded that the District vote to nominate Peter Cusolito, for the office of Commissioner for a term of two (2) years.

Voted: Majority. Approved.

ARTICLE 5– FY 2023 BUDGET

A motion was made and seconded that the District vote to appropriate from available funds, the sum of \$692,731.23. (Six hundred ninety two thousand seven hundred thirty one dollars and twenty three cents), for the operating budget of Fiscal Year 2023, to provide for the District’s annual operating requirements, including but not limited to, salaries, related services, office expenses, maintenance and construction.

Voted: Majority. Approved

ARTICLE 6 – ESTABLISH FUND TO RECEIVE AND DEPOSIT FEES SEWER SYSTEM REVIEW

A motion was made and seconded that the District vote to authorize the Board of Sewer Commissioners to establish a fund to receive and deposit fees paid pursuant to Chapter 33 of the Acts of 1998, and, from which expenditures may be made by the Board of Sewer Commissioners for legal services, administrative services and

engineering services (including but not limited to, design, plan review, and inspection of the project being constructed) in connection with any sewer system design, review, and construction.

Voted: Majority. Approved.

A motion was made and seconded that the District vote to adjourn the meeting.

Voted: Unanimously. All in favor. Approved.

The meeting adjourned at 7:13 P.M.

I, Cheryl Balkus, hereby certify that this is a true and accurate record of the votes taken by the votes of the Cherry Valley Sewer District at the Annual Meeting, May 26, 2022.

A TRUE COPY ATTEST:

CHERYL BALKUS, CLERK

(SEAL)