

# **Water and Sewer Commission**

## **Municipal Building**

**15 St. Paul St.**

**Minutes from October 4, 2012**

**Main Meeting Room**

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### **Water and Sewer members in attendance:**

Chairman Kluchevitz, Charlie Sawyer, and Tom Devlin

DPW Director, Mike Suprenant

Not Present: Eric Atstupenas, John Parmentier

### **Also present:**

### **Recording Secretary: Amy Sutherland**

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The Vice Chairman opened the meeting for the Water and Sewer Commission at 6:30 pm.

### **Water and Sewer Rate Study:**

Jeff McClure from Weston and Sampson provided a presentation relative to the Water Rate Study.

It was explained that the Town was in non-compliance from the DEP mandate. The Town needed to seek an extension. The Water and Sewer enterprise funds are not self-sustaining for the three years evaluated during the study. An annual change in reserve fund was provided.

The proposed annual water bill comparison was shown. The Blackstone numbers are still lower than the State average. The rates are lower than surrounding communities.

It was recommended that the Town look at the rate model every year.

The goal would be to modify the rates, as needed at least every other year. This should be made part of the budget process. The chart showed the total revenues and total expenses and a change in the reserve fund. The rate structure wanted to study the goals and have this revenue stable.

The increase in rates needs to be done with equity and fairness. The goal is to also retain

business, promote growth and promote sustainable water supply. The capital expenditures are paid through retained earnings(not bonded). The scope of work includes two general tasks. The Town needs to identify revenue required to cover operation, maintenance, and capital costs. The Water and Sewer Commission needs to develop the appropriate rate structure to recover the revenue needed.

The next chart explained the existing rate structure. The billing is being done on a semi-annually basis. This has been unchanged since 2006.

The next chart was an existing Annual Water Bill Comparison (2010) and the Existing Annual Sewer Bill Comparison (2010). The next slide was a rate model. A proposed rate structure was reviewed. The proposed bill impact was included for residential and commercial areas.

There is no one who gets free water except to the senior housing.

The municipal buildings do not pay the water

The Chairman would like to get clarity if all the municipal buildings get a bill.

This is semi-annually in the thousands.

If the change happens, the water quality must be better and the billing better be tighter.

The Chairman indicated that the water at the specified properties should have been shut-off. The order was not followed. The last meeting instructed the shut offs to take place. The Chairman noted that the collections go back to 1996. Currently there is \$190,000 in uncollected bills.

There was an opinion that this is misleading to compare us to the State. We should look at the Metrowest versus the State average.

The water enterprise fund will be bankrupt if this water rate is not put in place.

One member wanted to know if the sheets have been updated to reflect the accurate figures and numbers.

The Chairman noted that this was based on an assumption from last April, 2012. The information and new numbers have not been included.

The DPW director indicated that the sewer numbers need to be updated.

The recommendations are to keep up the rate model every year. The goal is to modify the rates as needed, at least every other year. The Town needs to make this more of the budget process. The rate model needs to remove the rate setting from the political arena.

Jeff McClure indicated that the number on the sewer side did not effect the rates.

It was communicated that Capital is paying \$950,000 for water and sewer projects.

Another question was asked if the registered letters worked for collection of the money for water bills.

The DPW Director indicated that moving forward there will be a lien on the property with a new agreement which needs to be signed by the residents.

The Chairman communicated that the collection process deadline date has been communicated to residents and if not paid, water is off. We have no power to enforce. The Town Administrator is in charge of Director of personnel. There was an action that was put in place and it did not take place.

The DPW Director indicated that the letters went out late and needed to have the 30 days pushed out.

The shut offs will take place October 20, 2012.

The Chairman communicated that the person who does the billing is now at the Town Clerks Office.

This does not look good to the public.

The Certified letters were from 1995-2006. We needed to give the residents a 30-day notice.

The Water and Sewer Commission has been at this since April 24, 2012.

Charlie Sawyer explained the aging report with the amount due.

Jeff indicated that on the water side there has been money allocated for Capital projects through the enterprise fund. This is a shot in time and now this is a tool to plug in the new numbers and what you choose to do is up to the town.

The 132% is a figure if we needed to purchase everything on the wish list, this will not happen.

If we are planning ahead to do improvements, we need to build that into the rates.

The rates need to be planned on the expectancy for five years.

If a water purification plant needs to be built, we need to plan for this financially.

The rates will need to be adjusted but not at 132%.

Capital Planning needs to approve this and the Board of Selectmen. This needs to happen throughout discussions. The Town will decide and each year. This is a plan for the future. It was an attempt to start the process.

If you want to run as a full utility, need a water department and a sewer department. The staffing plan is in place and one works for water and one sewer, not highway. The town is paying a 1/3 among Water, Sewer, and Highway. This is the true model that needs to be looked at.

The numbers indicated have not been broken into thirds.

A water treatment facility needs to be put into the Capital budget.

There was discussion about putting in a \$25.00 flat charge into the water fee. The impact was not as great to the residents. This is a billing service charge.

The Water and Sewer Commission needs to explain how the Commission got this number.

There is no need for Town meeting to raise the rates.

The DPW Director needs to present a budget to plug it into the model to establish the rate. A water and sewer budget, including capital needs to establish a rate for 2014. This will start for 2014 and go out for five years.

The Water and Sewer Commission should be the first on the Finance Committee agenda.

The DPW Director and Water and Sewer can put the numbers together and can establish a rate. This will need to be set every year based on the expenditures.

### **Well #8:**

The Well # 8 project is out to bid and the contract has been signed. There was a pre-construction conference. The shop drawings were shown. There is a 230 calendar days to get in service with notice to proceed. The project needs to be done by Mid-May next year. The bid is the last component. The amount remaining for the Well #8 project is \$449,218.00.

There was a question about if the balance will go back to retained earnings.

The \$449,218.00 can be used for a like of similar project long term for the remaining 15 years.

It was indicated that bollards need to be put around and the posts need to go the transformer pads.

### **Well #9:**

The Commission wanted to put in an article and proceed with Well#9.

The pumps will be in the wells with a back-up generator. This will be computerized.

If the source of the water is that much better, could the other site closed down. The Town will not close it down, but the new wells will have great quality.

Will any of the components be able to be utilized? The building will be shared.

What would the cost for the permitting for Well # 9 be?

The cost would include drilling the network, test production of well and report. This is a two year process. This portion would be about \$275,000. We would then need to buy the pump and mains, upgrade the electrical along with bringing the electrical to the wells. This would cost \$150,000. This would allow to plan for the future well #9.

This would need to go to town meeting for reappropriation for the \$449,218.00.

The funds are locked in place until the project Well #8 is completed.

**On a motion made by Tom Devlin, and seconded by Charlie Sawyer, the Commission voted unanimously to adjourn the meeting at 8:40 pm.**

Respectfully Submitted,

Amy Sutherland

Recording Secretary

Approved November 8, 2012