

**Water and Sewer Commission**  
**53 Elm Street**  
**Blackstone, MA 01504**  
**Minutes from Thursday February 11, 2016**  
**6:30 pm**

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**Water and Sewer members in attendance:**

Charles Sawyer	Tom Devlin	Bruce Paterson	John Parmentier
X	X	X	

**Also present:**

Superintendent James Sullivan  
Recording Secretary: Amy Sutherland  
Selectmen Keefe

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

Selectmen Keefe did not part left the room at 6:30 pm and returned for discussion at 7:15 pm.

**Early Village/Fox Brook Manor:**

Mr. Drainville, Resident Early Village was present.

The Chairman Sawyer indicated that he may need to recuse himself since he was a corporate member of the Joseph Early Village for many years. It was mentioned that Member Devlin was a previous member of the Blackstone Housing Authority about ten years ago.

Attorney Doyle was present and explained that there is an agreement between the Town of Blackstone which was made through the Board of Selectmen back in 1989. It is his opinion that the Water and Sewer Commission does not have the authority to overturn this agreement. Attorney Doyle further explained that the corporation paid for the municipal sewer system.

The Water and Sewer Commission explained the reasoning for their decision included various increases to their sewer budget from the Woonsocket Regional Wastewater. The Commission also wants all residents who are tied into sewer to pay for this service.

The Commission suggested that they stay with the initial vote and create the bill and have this item addressed by the Board of Selectmen.



manganese. There will need to be further discussion on how to address the long term solution in dealing with the manganese issue.

**Veteran Park:**

The Commission was informed that the town meeting voted to authorize a change in the use of portion of the town-owned parcel of land located on Elm Street referred to as “Veterans Park” for the development of low/moderate income housing for veterans.

**Secretary Payment:**

**On a motion made by Tom Devlin and seconded by Bruce Paterson, the Water and Sewer Commission voted unanimously to sign the payment for the secretary.**

**Acceptance of Minutes:**

**Minutes January 14, 2016:**

**On a motion made by Tom Devlin, and seconded by Bruce Paterson, the Commission voted unanimously to approve the minutes from January 14, 2016.**

**Finance Committee:**

There will be a Finance Committee meeting on Monday, March 14, 2016 at 7:00 pm.

**Budget:**

The Water and Sewer Commission would like get an updated budget. It was communicated that one Water and Sewer Commission budget was changed to include incremental costs. The Commission was not made aware of these changes until it was brought to their attention. The Commission did indicate that they currently pay a portion of their budge to the Assistant Town Accountant and the Assistant Treasurer Collector. The Commission would also like clarity on why the insurance is being increases 142%. There has been no correspondence to the Commission in regards to this increase.

There will be a Finance meeting to be held on Monday March 14, 2016.

**Future Meeting Date:**

- Thursday, March 10, 2016.

**Adjourn:**

**On a motion made by Tom Devlin, and seconded by Bruce Paterson, the Commission voted unanimously to adjourn the meeting at 8:30 pm.**

Respectfully Submitted,

Amy Sutherland  
Recording Secretary  
Approved March 10, 2016



# IJA & Host Fee Review

**1977**

The Federal Environmental Protection Agency, the State of Rhode Island, the Commonwealth of Massachusetts, the City of Woonsocket, the Town of North Smithfield, the Town of Blackstone, and the Town of Bellingham have joined in a plan to establish a Regional Wastewater Collection and Treatment Project under the United States Clean Water Statute.

Whereas the United States Environmental Protection Agency (sometimes hereafter "EPA") requires local action under the Federal Water Pollution Control Acts and amendments of 1972; and

Whereas, the City of Woonsocket, Town of North Smithfield, Town of Blackstone, and Town of Bellingham have given consideration to the establishment of a regional system to solve the problem of wastewater collection and sewage treatment.

## **2012: A Portion of City of Woonsocket Resolution**

although the city and each of the Towns are currently producing actual billable flows that are significantly below the Plant's 16MGD capacity (e.g. for the period June 2010 through July 2011, the total billable flows were 5.87MGD), it is nonetheless a fact that the Plant's capacity of 16MGD was sized and constructed pursuant to the needs outlined in the original agreements (executed in 1977 by North Smithfield and Blackstone and 1988 by Bellingham), in which the Towns, after thoughtful effort and vetting, requested the plant be constructed to accommodate 5MGD in aggregate flow for the Towns (i.e. 31.25% of the capacity was constructed to accommodate the Town's requested needs allocated as follows – 3MGD for North Smithfield, 0.75MGD for Blackstone and 1.25MGD for Bellingham).

# 1977

## Interjurisdictional Agreement

**% of Allocated Capacity = % of Capital Costs**  
**Total Plant Capacity - 16mgd**

City/Town	Woonsocket	North Smithfield	Blackstone	Bellingham
Allocated Capacity	11mgd	3.0mgd	.750mgd	1.25mgd
Percent of Capital Cost	68.75%	18.75%	4.7%	7.8%

Sometime between

# 1988-2012

City/Town	Woonsocket	North Smithfield	Blackstone	Bellingham
Altered Allocated Capacity	12.8mgd	1.9mgd	.480mgd	.800mgd
Adjusted Percent of Capital Cost	80%	12%	3%	5%

The City of Woonsocket reduced the Towns' allocated capacity and increased the City's from the agreed amounts of the 1977 IJA. Based on the terms of the 1977 IJA, this action would require an amendment to the IJA, which must be agreed to by all four communities. As of this time, no such amendment has been presented. If an amendment was not executed, this would constitute a breach of the 1977 IJA, and bring into question the validity of the AMENDED AND REINSTATED INTERJURISDICTIONAL AGREEMENT, signed by the City of Woonsocket and the Town of Blackstone on July 3<sup>rd</sup>, 2014.



# AMENDED AND REINSTATED INTERJURISDICTIONAL AGREEMENT 2013

City/Town	Woonsocket	North Smithfield	Blackstone	Bellingham
Altered Allocated Capacity	12.8mgd	1.9mgd	.480mgd	.800mgd
Adjusted Percent of Capital Cost	80%	12%	3%	5%
<b><u>"HOST FEE"</u></b>	\$-312,000	\$194,090	\$41,591	\$76,250

## Host Fee explanation

City/Town	Woonsocket	North Smithfield	Blackstone	Bellingham
Allocated Capacity <i>(1977)</i>	11mgd	3.0mgd	.750mgd	1.25mgd
Altered Allocated Capacity	12.8mgd	1.9mgd	.480mgd	.800mgd
Reduced Percent of Capital Cost = "Host Fee"	+11.25%	-6.75%	-1.7%	-2.8%
<b><u>"HOST FEE"</u></b>	\$-312,000	\$194,090	\$41,591	\$76,250

The Host Fee represents the difference of the allocated capacities that the Towns no longer receive. In essence, the Towns are paying along the terms of the original agreement, yet they do not receive what was agreed upon. The Host Fee also includes an escalator clause based on the Boston Area CPI (Consumer Price Index). The Host Fee would last and continue to increase in cost for as long as the Towns maintain the agreement. The original 1977 IJA mandated by the Federal EPA, as well as the states of Massachusetts and Rhode Island, never intended for any one of the four communities to have any financial gain that was not offered to the other communities.

# **CONSEQUENCES OF REDUCED ALLOCATED CAPACITY**

- 1. Ongoing payment of "HOST FEE" with escalator clause which equals the amount of capacity that was taken from the town. (no known amendment)**
- 2. Unlike capital costs, the "Host Fee" with the escalator clause does not appear to have an end point and will continue to increase over time. ( If back to our original capacity under the 1977 IJA with no "Host Fee" capital costs would amortize down to \$0.0)**
- 3. Limited capacity = limited community growth**  
**Blackstone's capacity has been reduced from .750MGD to .480MGD with approximately 1200 customers. Currently the town uses approx. .280MGD, which is about 58.5% of the available reduced capacity. With ongoing projects such as Sycamore Estates, Harris Pond Village, and potential Veterans Housing at Veterans Park, as well as future sewer connections in the Privilege area, the town is at risk of going over the .480MGD limit. If this were to be the case, there is no telling what additional costs and penalties the town would incur.**
- 4. Simply stated, the town is not receiving what it is paying for.**



# REMEDIES

**1: A return of the 1977 IJA allocated capacities to the communities.**

**2: A return to the capital cost payments based on the 1977 allocated capacities percentages only.**

**3: An end to the payment of any capital costs under the heading “Host Fee”, with or without an escalator clause.**

**4: The reimbursement of all revenue received to date from the escalator clause.**

**5: The reestablishment of the advisory board as provided for in the original 1977 IJA.**

**In essence, the AMENDED AND REINSTATED INTERJURISDICTIONAL AGREEMENT (2013) should read as the 1977 IJA read, adding only the new capital costs.**

**CAPITAL COSTS  
BASED ON 2013  
\$38,000,000.00  
PLANT UPGRADE**

City/Town	Woonsocket	North Smithfield	Blackstone	Bellingham
Capacity & Capital Cost % 1977	11.0mgd <b>68.75%</b>	3.0mgd <b>18.75%</b>	.750mgd <b>4.7%</b>	1.25mgd <b>7.8%</b>
Capacity since 2000	12.8 mgd	1.9mgd	.480mgd	.800mgd
Percent of Capacity/Capital Cost	<b>80%</b>	<b>12%</b>	<b>3%</b>	<b>5%</b>
New capital costs using 2000 Capacity	\$30,400,000.0	\$4,560,000.00	\$1,140,000.00	\$1,900,000.00
New Annum Capital Cost	\$2,483,160.00	\$333,036.00	\$83,259.00	\$138,765.00
Host Fee Percentage difference form 1977 to 2000	<b>+11.25%</b> of aquired capacity from 1977	<b>-6.75%</b> of reduced capacity from 1977	<b>-1.7%</b> of reduced capacity from 1977	<b>-2.8%</b> of reduced capacity from 1977
Host Fee year 1	<b>-\$312,000</b>	<b>\$194,090</b>	<b>\$41,591</b>	<b>\$76,250</b>
Capital Costs at 21 <sup>st</sup> year	\$0.0	\$0.0	\$0.0	\$0.0
*Host Fee at 21 <sup>st</sup> year	<b>-\$529,389</b>	<b>\$329,397</b>	<b>\$70,585</b>	<b>\$129,407</b>

\* Based on the Boston CPI average 2.68% since 2000

\* Host fee will continue to increase well beyond 20 years