

**HOLDEN BOARD OF SELECTMEN
MEETING MINUTES
APRIL 11, 2011**

7:00 PM

Senior Center

Present: Chairman David White, Anthony Renzoni, James Jumonville, Kimberly Ferguson

Absent: Robert Lavigne

Others Present: Nancy Galkowski, Town Manager
Jim Shuris, DPW Director
Jim Dunn, Chairman Finance Committee
Paul Challenger, Finance Committee
Al Berg, Finance Committee
Scott Carlson, Water/Sewer Advisory Board Chairman
Ken Lipka, Water/Sewer Advisory Board
John Michalack, Water/Sewer Advisory Board
Elizabeth Helder, Recording Secretary

Chairman White opened the meeting at 7:05PM.

1. Water & Sewer Rate Structure Discussion

Scott Carlson, Chairman, Water/Sewer Advisory Board, reviewed the discussion that led the Water/Sewer Advisory Board to recommend the endorsement of Water/Sewer Rate Structure Full Fixed Cost/Fixed Fee and Inclining Block Rates (Option 4). Mr. Carlson and members of the Water/Sewer Advisory Board said that Option 4 had a lower impact to low water users, commercial customers, and would have a more positive impact to stabilize the revenue and enterprise fund. Mr. Carlson said the W/SAB also recommended that the Town not apply an early payment discount to the fixed fee portion of the rate structure. He said the Town could continue to offer a discount on the usage portion of the bill. The W/SAB made this decision to help insure the stabilization of the Water/Sewer Enterprise Fund.

Mr. Shuris reviewed a projected cost impact for low water users. A low consumer will see an approximate 4.3% increase from 2010 through 2016.

Mr. Dunn said the Finance Committee felt the W/S budget would be better structured than in the past by implementing Option 4. As long as the revenue is generated by the rates, the Finance Committee was in favor of the recommendation. He said Option 4 was the most straightforward approach to solving the Town's W/S revenue problems.

Sel. Renzoni spoke in support of Option 4.

Sel. Ferguson stated that from the standpoint of the ratepayer, the impact of a rate increase would be hard enough without also losing the pay-on-time discount. She suggested not taking the discount option away from ratepayers.

Town Manager Galkowski said she felt the Town should continue to offer the discount to ratepayers that pay their utility bills on time. The rate structure created by CDM had been designed to accommodate offering customers a discount if the bill is paid on time.

Mr. Challenger inquired how long the proposed rate structure would exist?

Mr. Carlson said the rate structure would be reviewed on an annual basis. Rates will be reviewed and adjusted via a program created by CDM to formulate a rate structure based on the projected fixed costs for the next year.

Chairman White introduced a memo from Sel. Lavigne regarding the rate structure discussion. While in favor of rate structure Option 4, Sel. Lavigne suggested initiating a "phased-in" approach to the low consumption users to help offset costs over a four year time period.

Mr. Dunn said Sel. Lavigne's proposal was risky and would cause problems billing these customers. Scott Carlson said that the W/SAB also looked into trying to minimize the transition to these low users over a certain time period, but discovered that it was not feasible. The Town Manager concurred with comments made regarding phasing in the rate structure. She said that by phasing in these fees, the Town would not collect the revenue it needs to balance the budget. Chairman White suggested that the Town could provide some financial assistance to those lower income households who will struggle in the beginning with the new rate structure. The Town Manager said that the Town could look into offering low end users some financial assistance through the HELP at Home program.

Sel. Jumonville said he would hold his comments until a full Board was in session.

Chairman White said the Selectmen would hold a public hearing at its first meeting in May to allow the public to comment on the proposed rate structure. He asked Mr. Carlson to prepare a statement to explain how the decision was made to find a solution that was fair and equitable to ratepayers while balancing the budget and planning for the future of the Town's water and sewer infrastructure. He said that the Board would wait to make its recommendation during a public meeting with a full Board.

Chairman White said the next step the Town needs to consider is a sewer transportation rate with the City of Worcester. A decision needs to be made to either challenge the issue or agree to let it go.

Sel. Renzoni said he was unfamiliar with the sewer transportation issue and would like to be brought up to date during public meeting to both help him and the public understand the issue.

Sel. Ferguson left the meeting at 8:12PM.

Mr. Berg said he always thought the transportation rate was frustrating but understandable. The Chairman said this is the information that needs to be discussed. He suggested that after budget season and Town Meeting are over, the topic should be discussed and "put to bed" one way or another.

2. Adjournment

Motion by Sel. Renzoni, seconded by Sel. Jumonville, it was **UNANIMOUSLY VOTED TO ADJOURN THE APRIL 11, 2011 MEETING AT 8:14PM.**

APPROVED: April 19, 2011