



TOWN OF MEDWAY  
WATER & SEWER COMMISSION  
MEDWAY, MASSACHUSETTS

Commissioners

Cranston Rogers, Chair  
Robert Wilson, Member  
Leo O'Rourke, Member

## Meeting Minutes

April 25, 2014 – 8:00am  
DPS Office  
155 Village Street, Medway MA

Present: Robert Wilson, Leo O'Rourke, DPS Director Thomas Holder, Operations Manager Sarah Pawluczzonek, and Town Treasurer Melanie Phillips.

**The Water/Sewer Commission meeting was motioned to start at 8:00am by Robert Wilson. Leo O'Rourke seconded, unanimous vote, 2-0.**

### Water & Sewer Rates

Tom Holder pointed out the two sheets summarizing the results of the rate studies. He explained that Carol Pratt, Melanie Phillips, and Sarah Pawluczzonek worked together in house to create this year's study, without using the rate consultants, The Abrahams Group, as has been done in years past. They put together a 6 year projection, as requested by the Board of Selectmen. Tom mentioned the new debt service line which accounted for the known capital borrowings.

Leo O'Rourke asked how much the cost of the New DPS Facility was.

Tom Holder answered that it was a \$14 million project to design and construct.

Melanie added that only \$10 million was budgeted for it in the study. Sewer would absorb 10% of the cost and water would absorb 15% of it. And Solid Waste was absorbing 10% of the cost.

Robert Wilson added that it left 65% to come from the General Fund.

Tom Holder pointed out that on the sewer study, the Charles River Pollution Control District (CRPCD) was the driving force behind the rate increases, starting with a 20% increase in FY15. He explained that Phase 1 & 2 of the capital project was completed and that they were bumping up against \$30 million. Tom also noted that the average residential household will see an increase of \$13.37 per quarter in water charges which is reasonable and achieved by using retained earnings.

Robert Wilson remarked that it will only leave \$10k in sewer retained earnings in FY16.

Tom Holder answered that yes, but it's a fairly new system so we don't need as much of a balance in sewer like we do in water. He mentioned that the plan was to send this out next to the Board of Selectmen through the Town Administrators Office.

Leo O'Rourke asked about touring the Charles River Pollution Control District's plant.

Tom Holder offered to organize a visit.

Robert Wilson requested that we modify the percent increases to be different in each tier, lowering it for the tier 1 users, and raising it for tier 2 and 3. This would benefit the water conservers.

Tom Holder answered that we could do that. He then briefly went over the water study noting the very reasonable increase of 4%. By the end of the six year plan the retained earnings would be comfortably within the range of 10%-25% of the operating budget.

Robert Wilson remarked that the political fallout of the sewer rate increase could be buffered by a reduction in the lower tiers.

Leo O'Rourke replied that we should expect people to have questions about it.

Tom Holder pointed out that the driving force is the CRPCD Capital and Operating costs. He had the Department closely investigating the increase in the Operating costs due to the increased industrial strengths.

Robert Wilson asked if the other member communities were paying with the same formula.

Tom Holder replied yes, but in Franklin they lowered the industrial strengths at their Garelick Farms property and so they are seeing the benefits now. The formula data is actually a two year lag meaning they use the FY13 data to set the FY15 rates.

Leo O'Rourke asked what the cause of the increased industrial strength was.

Tom Holder answered that it was elevated levels of biological oxygen demand (BOD), total suspended solids, ammonia, nitrates, and phosphates.

Robert Wilson remarked that maybe fertilizers were the cause.

Tom Holder said possibly, but that there is no way for them to really get into the system. He pointed out that as we reduce the causes, the restrictions the CRPCD has to adhere to get tighter, and so they have to spend more to meet those, which in the end costs more for us, the customer.

Robert Wilson asked if we could try reducing the tier one sewer rate to a 15% increase, and then raise it a little higher in tier 2, and then even higher in tier 3. He wanted to do the same in water starting with a 2% increase in tier one.

Leo O'Rourke raised his concerns about water and sewer vehicles being used for snow and ice operations being charged all their expenses to the water and sewer enterprise funds.

Tom Holder explained that the Department is very careful to charge vehicle expenses to the appropriate budget.

Robert Wilson asked to modify his previous request to start tier 1 water at 2% and instead start it at a 3% increase. He asked when these changes would be available.

Sarah Pawluczzonek replied that they could be ready by the middle of next week.

Tom Holder asked the group if they would like to meet again in a week or so.

The next meeting was tentatively scheduled for Wednesday, April 30<sup>th</sup>, 2014 at 2pm in Tom Holder's Office.

### Member Prerogatives

Leo O'Rourke asked where we were with the unaccounted for water issue.

Tom Holder replied that we were aggressively searching for the cause(s) and are currently theorizing it is due to unmetered connections. Possibly large places like at the plazas. When we shut the water down at these locations to test their backflow devices this Spring, we are going to check to make sure the water is truly off.

Robert Wilson asked if anything was occurring where the neighboring Towns connect to our system.

Tom Holder said they already checked and there were no issues found with those.

Leo O'Rourke asked if there was any leak detection performed.

Tom Holder replied that yes we had already done a leak detection survey and had only found small leaks. Unfortunately the larger leaks are actually harder to hear.

Melanie Phillips suggested an Amnesty program for folks who come forward with knowledge that they may have an unmetered connection. Those that do not we will back charge 6 years of usage.

Tom Holder suggested an employee reward program as an incentive to find and meter these unmetered locations.

Leo O'Rourke asked if it was a data issue since the unaccounted for water is so much worse now than in years past.

Tom Holder responded that the data in past years was questionable and so there has probably been an issue all along.

**Robert Wilson made a motion to adjourn the meeting at 9:10am.**

**Leo O'Rourke seconded, unanimous vote, 2-0.**

**Respectfully submitted by,**

**Sarah Pawluczonek  
Operations Manager**