



TOWN OF MEDWAY
WATER & SEWER COMMISSION
MEDWAY, MASSACHUSETTS

Commissioners

Cranston Rogers, Chair
Robert Wilson, Member
Peter Gluckler, Member

Meeting Minutes

April 23, 2012 – 6:30pm
DPS – Tom Holder's Office
155 Village Street, Medway MA

Present: Chan Rogers, Peter Gluckler, Robert Wilson, DPS Director Thomas Holder, Water & Sewer Superintendent William Donahue, and Executive Assistant Sarah Pawluczzonek.

The meeting was called to order at 6:35pm by a motion from Peter Gluckler.

Robert Wilson seconded.

Motion approved, unanimous vote, 3-0.

Tom Holder introduced William Donahue, the Water and Sewer Superintendent, to the group.

Vote on the Water & Sewer Fees

Tom Holder explained the list of fees, noting that one fee in particular, for the Drain Layer's License, was previously voted on a few meetings ago. He explained that the Abrahams Group performed a fee study to arrive at these proposed fees based on costing out labor, materials, and equipment for each service. These fees represent services above and beyond the supply and purchase of water and sewer. We took a look at the outdated current fee structure, which was voted on by the old water/sewer board, and felt that it needed a fresh look. Most of the fees have an exact amount, however some you will see are listed as "at cost" to allow us room for anticipated material cost fluctuations.

Robert Wilson asked why there is a refundable fee for a hydrant meter, and who uses them.

Tom Holder answered that the refundable deposit is because there is a meter and a backflow device provided which are very expensive, and in the case where they are stolen or damaged, we need to be able to recoup those costs. People use them for home construction or hydro seeding.

Robert Wilson asked if there had been any push back by folks who have seen these proposed fees.

Tom Holder answered that no one besides the water/sewer board members have seen them yet.

Robert Wilson asked what occurs after we vote on them.

Tom Holder said they would be posted on the website and on a board at Town Hall. There is no requirement for a legal advertisement.

Robert Wilson asked what a second meter is needed for.

Tom Holder said it is for folks who have essential non-sewered watering needs like process water.

Chan Rogers asked what the Tampering Fines were for.

Tom Holder said they are penalties for people who connect to a hydrant, or remove a meter, or connect to the water or sewer system without permission. These offenses can be criminal as they involve the theft of water.

Peter Gluckler asked if it was allowed to have fines on a fee schedule.

Tom Holder said yes, as it is something for people to be made aware of such penalties so as to deter them. Fees are cost based, where as fines are not, they are meant to be severe enough to act as deterrents.

Peter Gluckler made a motion to approve the new fee schedule dated April 23, 2012.

Robert Wilson seconded.

Motion approved, unanimous vote, 3-0.

Review of the FY13 Rate Study

Tom Holder went over the Comprehensive Rate Study. He explained that the original version we sent has since been revised due to some further evaluation of our debt service and revenues. The increase for water rates is about 11%, and the increase for sewer rates is 0%.

For Water, page 1 is the three year projection, but we only need to focus on FY13 for rate setting. It is a summary of the revenues, expenditures, and the total balance. The rates required to support a balanced budget are at the bottom. Our revenues are projected based on an 86% collection rate.

Chan Rogers asked how we achieve collection of the remaining 14%.

Tom Holder responded that the lien process is how we demand the outstanding prior fiscal year's balances. The bills will lien onto the tax bill.

Robert Wilson suggested that we consider not posting liens to the tax bill, but instead do them separately.

Sarah Pawluczzonek explained that it does help us to collect a lot of the revenue through the payments automatically made by the banks; however she will speak to the Treasurer about different options.

Tom Holder went over Page 2, the Rate Increases. The main driver for this rate increase is debt service. The West and Main Street Water Rehabilitation projects are prime examples of our increase in debt service for this \$2.4 million project.

Peter Gluckler asked what the increase was for the water rates last year.

Sarah Pawluczzonek answered that it was hard to compare as we also moved into a different tier structure, whereas this time we are updating the same tier structure. The lowest tier for water went from \$3.89 to \$4.28.

Tom Holder remarked that we did do a rate comparison against other Towns FY13 rates and we are still in the bottom third.

Robert Wilson asked to see the FY11, FY12, and FY13 rates all together on one sheet at the next meeting.

Sarah Pawluczzonek said she would bring them.

Tom Holder explained the Debt Service tab.

Robert Wilson asked why salaries increased if this is level funded.

Tom Holder responded that they only increased by 2.5% due to contractual obligations.

Peter Gluckler asked what causes our expenses to go up over the next 3 years.

Tom Holder said that the Consumer Price Index is the logic used here forecasting a 2.5% increase for subsequent years.

Tom Holder explained that the Town Administrator and Board of Selectmen have already seen and approved the FY13 budgets. And it is believed that the Finance Committee will also recommend them at Town Meeting.

Tom Holder pointed out that due to an unexpected lack of an increase to our healthcare costs, there was a \$300k surplus to be appropriated and with that, CIPC has recommended the purchase of a one ton dump truck.

Tom Holder remarked that while the Town Treasurer does a great job when preparing her own rate forecast, but the rate study we have performed provides a rate specialists perspective in a comprehensive manner. The purpose is to have something to defend our rate schedule.

Robert Wilson asked if anyone had complained about the irrigation rates.

Tom Holder answered that since we disallow the use of irrigation systems, no one should even be affected. It would be hard for a person to complain about something we ban them to use.

Sarah Pawluczzonek remarked that she cannot recall any complaints in FY12 thus far.

Chan Rogers asked if a motion was needed at this time.

Tom Holder explained that it would not be needed until the rate hearing.

Sarah Pawluczzonek told the group that the meeting would be in the same location as last year, at the Medway Public Library on May 7, 2012.

Robert Wilson asked if the Sewer rate schedule accounted for the building up of funds for the first large Charles River Pollution Control District (CRPCD) assessment in FY14.

Tom Holder answered that yes, we are including half of the first assessment increase in our expenses for FY13.

Peter Gluckler asked how we were able to avoid an increase in the sewer rates.

Tom Holder pointed out that our sewer expenses were not increasing as our sewer debt service was not increasing.

Robert Wilson asked if the Industrial Park Sewer Extension betterment has generated new revenue from new connections.

Sarah Pawluczzonek answered that only a couple of dozen homes have connected so far so there is no significant impact yet.

Tom Holder pointed out the Sewer Capital Fee which he hopes to begin in FY14.

Robert Wilson remarked that he is not for the capital fee in sewer and would rather see the rates increase that initiate a fee. He feels it is a lot for a family to pay in addition to what they already pay and it offers no initiative to conserve.

Robert Wilson asked if he could see a consumption history broken out by tiers from the past year.

Sarah Pawluczzonek said she had one she would send.

The Board agreed that they were all satisfied with the rate analysis.

Approval of past meeting minutes

Robert Wilson made a motion to approve the meeting minutes from the two meetings ago (2/27/12).

Peter Gluckler seconded.

Motion approved, unanimous vote, 3-0.

Peter Gluckler made a motion to approve the 3/26/12 meeting minutes.

Robert Wilson seconded.

Motion approved, unanimous vote, 3-0.

Director's Report

Tom Holder told the group that at the recent New England Water Works Association Show, our vehicle was showcased. He passed around a photo of the truck at the show. He told them that we received a lot of positive feedback.

Tom Holder talked about the kick off of the Water Main Rehabilitation Project which is starting on Main Street. We awarded the contract and the notice to proceed last week and since then you may have noticed the installation of the bypass. He said he anticipated some disruption, but that he was prepared to mitigate any complaints. The first ground breaking will occur at the intersection of Main and Holliston Street overnight for three days.

Robert Wilson asked how far down Main Street this portion of the project would extend.

Tom Holder said it would go down to the Highland Tank.

Chan Rogers asked how the cut in the 90 degree turns on the water pipe.

William Donahue answered that they put a tee in the line.

Robert Wilson asked if they used all automatic valves.

Tom Holder said no, we will still have manual ones, but they will be brand new.

Chan Rogers remarked that if the Route 109 project had been funded and been able to be underway, that the state would have banned any road construction on 109/Main St for 5 years.

Tom Holder said yes, and we are firmly secured on the TIP for funding in 2016 for the Rte. 109 road reclamation project.

Robert Wilson asked about the AMR (Automated Meter Reading) project.

Sarah Pawluczzonek explained that we had some recent issues with the software which have been resolved, and some outstanding issues with one of the radio towers.

William Donahue explained that there were also some outstanding issues with MIU devices having been improperly installed by USI Services on the interior of the house, when they should have been mounted outside.

Robert Wilson asked about how many needed to be relocated.

Tom Holder said a few dozen. And they are doing this at no charge since it was part of the contract.

Other Business:

Next Meeting to be held will be a Public Rate Hearing on May 7, 2012 at the Medway Public Library.

At 7:53pm Robert Wilson made a motion to adjourn the meeting.

Peter Gluckler seconded.

Motion approved, unanimous vote, 3-0.

Respectfully submitted,

**Sarah Pawluczzonek
Executive Assistant
Department of Public Services**