



TOWN OF MEDWAY  
WATER & SEWER COMMISSION  
MEDWAY, MASSACHUSETTS

**Commissioners**

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

## Meeting Minutes

May 03, 2013 – 7:30am  
Sanford Hall  
155 Village Street, Medway MA

Present: Chan Rogers, Robert Wilson, Peter Gluckler, Dennis Crowley, John Foresto, DPS Director Thomas Holder, DPS Deputy Director David D'Amico, Town Treasurer Melanie Phillips, Town Administrator's Operations Manager Karen Kisty, DPS Operations Manager Sarah Pawluczonek, and Rate Consultants Matt Abrahams and Mark Abrahams.

**The meeting was called to order at 7:30am by a motion from Robert Wilson.**

**Peter Gluckler seconded.**

**Motion approved, unanimous vote, 3-0.**

### FY14-FY16 Water & Sewer Rate Study

Tom Holder explained that there were two possible versions for Water and one version for Sewer, and that we were able to keep to the proposed increases for FY14 and FY15 from last year's study in all versions. He explained that you will see the retained earnings drop significantly due to rate relief. He also mentioned that the studies were designed for Quarterly Billing, which we were intending to begin doing this August, billing the whole Town at once four times a year.

Sarah Pawluczonek explained that the bills would go out at the end of August, November, February, and May each year.

Tom Holder re-introduced the Abrahams Group and suggested that they start off by presenting the rate studies, and then after we could move on to quarterly billing.

Dennis Crowley asked if most other Towns billed quarterly.

Tom Holder said that he had found out that about 57% do bill quarterly.

Sarah Pawluczonek said that residents complain often about the semiannual bills being too hard to budget for and easy to forget about.

Dennis Crowley asked if we had budgeted for the increased cost of billing quarterly.

Tom Holder answered yes.

Tom Holder said that since we were discussing Quarterly Billing that we could start with that. He referred to the Post Card that was handed out and explained that once the decision to bill quarterly was voted on, we would send these post cards to all customers within the next couple weeks. The reasons for this change are listed on the post card. He explained that the biggest reason was the ability to notice a potential leak, as well as better budgeting, and better tracking of bills. It was all around a major improvement to customer service.

Chan Rogers reiterated the importance of noticing a potential leak through an elevated usage amount on a bill.

Tom Holder asked the Abrahams Group to explain the Quarterly Billing Analysis which was also handed out.

Matt Abrahams explained that the spreadsheet presented showed that in FY14 only, there would be about a \$400k increase in revenue due to the switch causing less billing in arrears. There would be an initial billing in August which would be a lot higher than subsequent billings due to it capturing anywhere for 2 to 7 months of billing from all residents at once. Then there would be three more bills capturing 3 months of usage each. The following years would return to a more usual revenue stream.

Dennis Crowley asked how these billings would line up with tax bills.

Sarah Pawluczzonek answered that they are mailed a month before the tax bills are mailed and so there is no overlap. This was planned intentionally this way.

Tom Holder asked the Board of Water & Sewer Commissioners to vote on the adoption of quarterly billing in FY14.

**Robert Wilson made a motion to adopt the practice of quarterly billing for water and sewer utility bills.**

**Peter Gluckler seconded.**

**All in favor, Unanimous 3-0.**

Matt Abrahams explained the Rate Studies. He pointed out that the format was basically the same with the addition of a retained earnings balance for each year at the bottom of the summary page. You could see in all versions it decreases in order to provide rate relief. Matt explained that the only difference in the two water versions was that one showed the impact if we did a five year borrowing on about \$200k in equipment in FY15, and the other if we paid for it out of retained earnings. The sewer rates reflected the purchase of \$52k in equipment in FY15 out of retained earnings as well. He went over the Revenue and Expense lines referring to the back sheets the information feeds from.

Tom Holder asked Melanie Phillips if she had a preference on whether we borrow or fund from retained earnings.

Melanie Phillips replied that she had no preference but suggested that if the retained earnings balance was still sufficient, that it would seem best to pay for them from retained earnings. But still leave room to provide rate relief as well.

Sarah Pawluczzonek stated that the Abrahams Group recommends having 10-25% of your operating budget in retained earnings. And we would have at least the 25% left in water after we buy the equipment. We would have an even higher percentage, about 33%, in Sewer after purchasing the equipment.

Dennis Crowley asked if the Charles River increases were accounted for in the sewer study.

Tom Holder said yes, the Capital increase are pretty firm with a large jump from FY15 to FY16, and then a few more years of marginal increases, and then many years of a moderate decline until the 20 year bond is satisfied. He did mention that the operating costs could increase more than proposed a couple months ago. This year during CRPCD's own rate study they determined that they were only charging us the industrial strength on one of three interceptors. They are not planning to back charge us and are still reviewing this so we do not have final data yet.

Matt Abrahams talked about the second tab in the workbooks which shows the rate tables for each year, the cost increase, and the percent increase, which is 4% each year for Water, and 5%, 6%, 5% for Sewer FY14-16 respectively. He explained the new table on the bottom showing the amount of money each quarterly bill would increase by for the average customer.

Dennis Crowley asked what the average cost would be for a residential customer for the year.

Sarah Pawluczzonek said based on the average of about 8,000 cubic ft per year, it would be about \$280 for sewer and \$443 for water.

Dennis Crowley asked what other comparable Towns average annual costs are.

Sarah Pawluczonek handed out a comparison of Medway to Bellingham and Millis showing that Medway was the lowest.

Tom Holder told the group what the recent Tighe and Bond study showed for comparisons. Looking at Medway and six other Towns with public water and sewer, it shows that Medway is in the middle, however this does not take into account any base fees, service fees, or capital fees which many Towns charge to each bill in addition to the rate, and Medway does not.

Dennis Crowley asked how hard it would be to expand the comparison Sarah provided to include all six Towns on Tighe and Bond's survey.

Sarah Pawluczonek said she would just need to contact these other communities for their rates for FY13 and then calculate them on the spreadsheet. It should take a couple of days.

Dennis Crowley left the meeting stating that he would like more time to review the documents and get back to DPS with any questions or comments.

John Foresto asked how we could push CRPCD to reduce operating cost. He felt that their electricity costs are equal to those of the entire Town of Medway and if they were to install a one acre solar farm, it could cut their electricity consumption significantly.

Tom Holder asked what the CRPCD had said to that the last time John Foresto had met with them.

John Foresto said that they claimed to have no time to investigate that right now. He also requested updated capital plans with the various bonding schedules.

Robert Wilson asked if the Lifeline Discount was still in effect.

Tom Holder said yes, and it is included in the study. It is 25% off the whole utility bill.

A tentative meeting was proposed for May 31, 2013 at 7:30am. DPS will post it if there seems to be a need to have the meeting, pending additional rate study feedback or any significant amendments. A Rate Hearing is expected to be scheduled for the third week in June.

**Robert Wilson made a motion close the meeting at 8:30am.**

**Peter Gluckler seconded.**

**Motion approved, unanimous vote, 3-0**

Respectfully yours,

**Sarah Pawluczonek  
Operations Manager  
Department of Public Services**