



TOWN OF MEDWAY
WATER & SEWER COMMISSION
MEDWAY, MASSACHUSETTS

Commissioners

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

Meeting Minutes

May 31, 2013 – 7:30am
Sanford Hall
155 Village Street, Medway MA

Present: Chan Rogers, Robert Wilson, Dennis Crowley, Town Accountant Carol Pratt, DPS Deputy Director David D'Amico and DPS Operations Manager Sarah Pawluczzonek. Also present was rate consultant Matt Abrahams.

The meeting was called to order at 7:35am by a motion from Robert Wilson.

Chan Rogers seconded.

Motion approved, unanimous vote, 2-0.

Proposed Water and Sewer Rate Studies

Dave D'Amico reintroduced Matt Abrahams, of the Abrahams Group, explaining that there have been some changes to the data within the studies, but that the bottom line remains basically the same.

Robert Wilson asked what changes took place.

Dave D'Amico answered that in Sewer we had to take a more in depth look at the Industrial Park Betterment receipts which were funded in part by grants, debt service, and betterments. One debt exclusion loan was in the General Fund and so initially not included in our debt service in the sewer study, which it now is. We did know about and include the other loan.

Dennis Crowley asked what the loan amounts were.

Sarah Pawluczzonek answered \$1.668 million in the General Fund, and \$950 thousand in the Sewer Enterprise Fund.

Carol Pratt explained that the prepaid betterment receipts were being held in a reserve account to be doled out 1/20 at a time each year to the sewer enterprise fund.

Matt Abrahams started going over the sewer rate study.

Dennis Crowley asked why FY16 is a proposed rate increase of 6% now instead of 5%.

Matt Abrahams responded that while we did not change the 5% for FY14 or the 6% for FY15, we did push FY16 up a percent because of the betterment loans.

Sarah Pawluczzonek added that it was essentially because we did not initially know about the 1.668 million dollar loan that was in the General Fund to be paid by sewer enterprise funds.

Matt Abrahams continued to review the sewer study.

Robert Wilson asked where the Charles River Pollution Control District (CRPCD) pre-collected amount went, as it was previously shown.

Matt Abrahams answered that it was there but we took it away because it was already reflected in the study and we did not want to double count it.

Sarah Pawluczonek added that it is already represented in the retained earnings surplus expected for FY13.

Robert Wilson asked what happened to the retained earnings balance.

Mat Abrahams answered that in FY16 we start to need retained earnings to provide rate relief.

Sarah Pawluczonek added that we start off in FY14 increasing retained earnings and then a little in FY15, only to use it in FY16. We do keep ourselves at 10.9% of the operating budget which is in the recommended 10-25% range.

Dennis Crowley asked why we are not mailing out the Utility Bills along with the tax bills.

Dave D'Amico answered that it was the preference in Treasury to have the bills be due a month before the tax bills so they were not bombarded with payments all at once. Also we did not want the residents to receive two bills due at the same time.

Sarah Pawluczonek added that each quarter the residents would see one month with no bill, one month with a Utility bill, and one month with a tax bill.

Dennis Crowley asked about putting an insert with the bills to let people know about quarterly billing.

Dave D'Amico explained that we have already done that in a separate mailing on a large yellow post card.

Dennis Crowley suggested a reminder might be a good idea.

Carol Pratt asked if we did a quarterly billing analysis.

Sarah Pawluczonek answered that yes we did and had gone over it in the previous meeting. The result is a one-time increase in revenue in FY14 due to having less billing in arrears.

Matt Abrahams went over the second page where the rate tables were shown including a section of average dollar increase to different groups of residential users and commercial users.

Dennis Crowley asked why 1,990 cubic feet is the average residential usage as it seems high. He would like to see a chart showing averages in each tier instead because he thinks most people use about 5,000 cubic feet a year.

Sarah Pawluczonek responded that 1,990 is the quarterly average which lines up with the previously reported annual average 8,000 for all residential users.

Dave D'Amico added that what it seems he may want is more of a median than an average.

Matt Abrahams went over the Water Rate Study. He explained the capital plan borrowing scenario as well.

Dennis Crowley stated that the 5 year capital plan is not fully approved by the Board of Selectmen (BOS). The agreement is that future year's projects will be considered as the time comes so things could change.

Dave D'Amico responded that yes he understood that but that we have to run the numbers with the worst case borrowing scenario, assuming all projects are to occur.

Robert Wilson made a motion to close the meeting at 8:35am.

Chan Rogers seconded.

Motion approved, unanimous vote, 2-0.

Next Meeting tentatively scheduled for June 5, 2013 at 3pm to meet with the newest Commissioner, Leo O'Rourke. The date for the Rate Hearing is to-be-determined.

Respectfully yours,

Sarah Pawluczonek
Operations Manager
Department of Public Services