

WAYLAND WASTEWATER MANAGEMENT DISTRICT COMMISSION

RATE HEARING FOR FY2015 ON 5 Mar 2014

MINUTES

In attendance: Fred Knight, Sam Potter, Jan Hawley

Absent:

Guests: Woody Baston, Jonathan Buchman, Bryan Farley, Mary Farley, Nancy Carapezza, Michael McDermott, Vernon Essi, Susan Cone Essi, Tracey Kaplan, Marian Stanton, William Carleton, Donna Carleton, Joan Duffy, Leslie Stern, Richard Turner, John Tardif, Frank Dougherty, Ron Beresgniewicz, Abhilash Barot, Anette Lewis, Frank Normandin, Molly Upton

Location of meeting: Large Hearing Room, Wayland Town Building

Fred Knight called the meeting to order at 7:30 PM.

7:30 1. Public comment

- Mike McDermott, attorney for 20Wayland, Should surcharge be charged to the Town? Is there proper communication between Town and WWMDC? Town being party to litigation and agreements it should participate in the funding of the WWMD. What fees should be charged to 20Wayland?
- Jonathan Buchman, What is the status of the public records request? File copying due tomorrow. Fred going through his files.
- Donna Carleton, Are there other betterments in Wayland? Are there checks and balances on the WWMDC decisions?

7:45, 2. Presentation of FY2015 Budget

- 9:25
- Expenses: FY2013 approved, FY2014 approved, 12-month average (Nov 2012-Oct 2013), proposed FY2015
 - Income as listed
 - 9:25: Return to this item to vote because we forgot to do it. Capacity rate \$2.13/gpd-year, flow rate \$1.58/gpd-year, penalty rate \$4.73/gpd-year
 - Sam move to establish rates, Fred second, vote 2-0.

8:00 3. Question and Answer

- Discussion of legal fees \$36,870 charged in this year's expenses. Who authorized?
 - Are new users being charged for old debt? Yes and No. There was \$203,908 offset from retained earnings in FY2013, so all users at that time benefitted. The retained earnings are the aggregate of excess of income over expenses. The excess is mostly due to the Privilege Fee from Wayland Commons of \$600,000. Any user who joined after June 2013 would not be charged. Also, income of this year's payments by original users offsets the expense of old debt, so effectively new users (who are not paying the old betterment) are not penalized.
 - Is fence to obscure the WWTP from River Rock houses across the street necessary if the cost is to be borne by users? Expressed feeling is a fence is not necessary. Landscaping might be helpful for visual but not sound deadening. Is cost of landscaping an expense to be borne by users? Opinion that this option can be considered later.
- 8:30 4. Presentation of FY2015 Rates
- Rates description using handout, which is also on the web site
- 8:25 5. Question and Answer
- What is the future expectation of expenses? Reasons to be optimistic include a well-engineered plant, increase of NPDES permit possible, flow well under threshold set by DEP to trigger the building of the leaching field at the TB, plant capable of reaching even lower phosphorus level if required by EPA. In addition, there will be retained earnings of significant value when we recover from the back-log of delayed billing over the next six months.
 - What is status of grant requests? Checking on it.
 - What is the origin of the \$203,125 of rate income? Remainder of budgeted expenses not paid by betterments.
- 8:50 6. Presentation of Betterment Process
- See the multi-page process. Not reviewed at this meeting, but note that it has to be followed and requires a sequence of steps.
 - Questions to be discussed and possibly voted on.
 - Question #1: What portion of debt to cover with betterment (between 0 and 100%) Not ready to select this amount. Needs more discussion and analysis to determine how to

weigh these two conflicting notions. The WWMDC wants to make sure that users are not “over-charged” for the betterment, but WWMDC has to be careful that there will not be too many users who opt for upfront payment and thus save themselves interest cost but decrease the payback to the WWMDC. In other words, the WWMDC wants to earn enough from the betterments but not too much. Anticipating what users will opt to do will be part of the process of determining the portion of debt (between 0 and 100%). One other point is that the WWMDC might want to choose a portion to provide not only repayment of the bond but also provide an additional amount for capital improvements. When we catch up on quarterly charges, the retained earnings will be significantly above zero, but the amount is still not completely known.

- Question #2: How to apportion the betterment. There are three options permissible by law. Apportionment can be applied 1. on a per unit basis, 2. on a frontage basis or 3. by Special Act based upon capacity or winter water usage. WWMDC preference is to base on capacity. Arguments against using water use include highly variable water use, Town Center not fully developed so flow is lower than expected.
- Question #3: Which rate should be charged to customers for betterments. Law allows for two options - 5% or borrowing rate+2%. WWMDC preference is to use 5%.
- Decision to put off vote until more is known about the magnitude of Question #1. Meeting proposed for next week, 12 Mar 2014.

8:55 7. Question and Answer

- See previous item.

9:20 8. Vote to close the hearing, Sam move, Fred second, vote 2-0

9:22 9. Public Comment

- Discussion about whether betterments were anticipated or not on Wayland Commons by the developer.
- Molly Upton reminds us that we need to establish the rates for FY2015. Return to rates (See above for vote)

9:27 10. Adjourn

- Sam move, Fred second, vote 2-0

Respectfully submitted,
Fred Knight

Distribution:

Fred Knight,
Sam Potter,
Board of Selectmen,
Web site,
File

MOTION TO GO INTO EXECUTIVE SESSION

MOVER: I move that the Wastewater Management District Commission enter into executive session pursuant to Massachusetts General Laws Chapter 30A, Section 21(a)(3) to discuss strategy with respect to litigation between Twenty Wayland, LLC and the Commission and / or the Town of Wayland over sewer use charges, if an open meeting may have a detrimental effect on the bargaining or litigating position of the Town.

CHAIR: Is there a second to the motion to enter into executive session? The Chair declares that discussion of strategy with respect to litigation between Twenty Wayland, LLC and the Commission and / or the Town of Wayland over sewer use charges as stated in open session of the Commission on May 19, 2011 in an open meeting may have a detrimental effect on the litigating position of the Town.

CHAIR: Roll call vote. Mr. Potter. Aye. Chair votes aye. Motion passes.

CHAIR: The Board invites Administrator Ira Montague, Town Counsel Mark Lanza (if present), Town Administrator John Senchyshyn (if present). The Board will return to open session in approximately 40 minutes.