

**May 18, 2020**

The meeting is called to order remotely via Zoom by Chairman Abbott at 1:30 p.m. Mr. Abbott recites the Executive Order on Remote Participation. He then tells all that will be participating in the meeting: John Hasenjaeger, William Abbott, Patrick Fasanello Lisa Sinkus and Marilyn Thompson of the Finance Department, Glenn Maffei, Bernie Marshall, John Spillane, Jim Johnson, Scott Gustafson, Mary Frisbee, Jodi Cuneo and Rick Mattson.

Mr. Abbott asks Mr. Marshall to give a status report of the Water Department. Mr. Marshall says everything is status quo and there have been 2 service leaks.

### **Comment Requests**

Mr. Abbott then refers to the three 40B projects that are on the agenda. First discussed is the project on Burns Ave. Comments from this Board had been sent months ago however the developer has since bought property on Brook Lane and has changed from 32 units to 40. Mr. Mattson says the plan now is to connect both water and sewer to Brook Lane. He adds that the revised plans have been sent to the Town which the Board does not have yet but will be available for the next meeting.

The next 40B project discussed is the Summer Street project. Mr. Abbott says a sewer and water peer review is required and all water and sewer fees must be paid. His question is how the main will be looped. The applicant will have to come before the Board to discuss this. Mr. Johnson says this can be done over Zoom. Mr. Abbott says we need the larger sheet plans and Mr. Johnson says we can tell them for site plan review the Board needs 5 plus copies of the plans. Mr. Marshall says he has been reviewing the plans with the Town Engineer. Mr. Abbott adds that we only need the sheets that are significant to water and sewer. Mr. Mattson says the proposed internal loops are useless however they have not indicated an alternative route. The peer review requirements have been sent to Attorney Macchi but the Town has not heard back from the applicant, who is apparently reluctant to fund the peer reviews. Mr. Fasanello says if they are hesitant to loop, the Board should at least have rights of ways. Diamond Hill Estates 40B on Dupee Street is then discussed. Mr. Mattson says this has been around for a long time and Mr. Abbott responds that he does not recall ever seeing any information on it. Conservation has been the only committee that has submitted anything so far. Mr. Abbott says in looking at things it appears that they have the ability to loop the water main and that sewer is available. Mr. Marshall says sewer is available and they could loop the water main however they would have to go out to Summit Ave. and Mr. Fasanello asks if there is an impediment along the way. Mr. Mattson responds that he does not own the property that he would have to cross. Mr. Abbott says that he assumes his fellow commissioners would want the applicant to come before them and they all agree. Mr. Fasanello would like someone to speak with the property owner to see if they would be willing to give an easement for the benefit of the Town and Mr. Mattson says yes.

### **WATER & SEWER RATE REVENUE FY 2020 SHORTFALL UPDATE**

Mr. Abbott supplies these updates on a monthly basis. He says it appears that we will not meet the revenue that we planned on when we set the rates. He says the Town Accountant Ms. Cuneo has indicated that other revenue that we have collected is higher than expected and this should offset the shortfall. He asks Ms. Cuneo for confirmation. She responds that right now everything looks okay however we need to be mindful of the expenses and need to be very careful. Mr. Abbott adds that we still have 2 months of revenue that is to be collected but they are not big months.

### **PUMPING LESS WATER UPDATE**

Mr. Abbott also supplies the pumpage on a monthly basis. He explains that we are about 10% below what we have been in the past. Mr. Maffei asks if there is an expectation of how much we will be asking Town Meeting for, he believes he heard a \$20,000 shortfall and would like to know if this is the number or if it is still being worked on. Mr. Johnson responds that it is extremely tight. It seems that the entrance fees were able to make up for the shortfall of the projected rates however he is not prepared to give a definitive answer at this time. The Municipal Relief Package that was passed allows them to take retained earnings to cover the shortfall. Mr. Abbott adds we will come close but will just make it.

### **CUB SCOUTS JARVIS FARM USE REQUEST**

Mr. Maffei says this has been cancelled and not rescheduled at this time. Mr. Fasanello asks about the status of putting in a parking lot here that will not affect the aquifer. He would like the Town Administrator to answer. Mr. Johnson responds that this was brought up 2 to 3 years ago and it was never pursued. He asks if the Board wants it pursued. Mr. Mattson adds that we have not been able to finalize the numbers yet and the question is does sewer and water want to finance to put in a tight drainage system and Mr. Fasanello responds that it should be funded by the people who park there. Mr. Abbott suggests putting this subject a future meeting agenda.

### **WATER DEPARTMENT EMPLOYEE PRAISE**

Mr. Abbott speaks of a letter regarding Mary Timilty for her excellent customer service and he would like a letter from the Board thanking her for her efforts in providing excellent service to our water and sewer customers. **Motion Made** by William Abbott to send a letter to Mary Timilty thanking her for efforts in providing excellent customer service and a copy should go into her personnel file. Second by John Hasenjaeger. Vote Fasanello aye, Hasenjaeger aye, Maffei aye, Spillane aye, Abbott aye. 5-0-0. Mr. Abbott adds that she has been very helpful to him and wants to make sure she gets recognized.

### **MWRA ASSESSMENT CORRESPONDENCE**

Mr. Abbott says this is the deferral of the Phase 10 and 11 MWRA payments. Mr. Fasanello says he sent an email to all regarding this. Mr. Abbott says this appears to be optional and Mr. Mattson says that he does not believe it is necessary as they are not that high. Mr. Abbott and the Finance Director Ms. Thompson agree.

### **REQUEST FOR WATER SERVICE 39 APARTMENTS IN DOVER**

Mr. Abbott says this is a request for water for 39 apartments in Dover and the law in 1982 dealing with the Texaco gas bill that actually requires us provide water to particular homes at that time but also buildings on the listed parcels. He assumes that at least one of these buildings is on one of the listed parcels. Unless he is misunderstanding we must provide water to these apartments by law at in town rates. If this is true he would like to see about getting this law changed. Mr. Fasanello says he was on the Board when this all occurred. He says this occurred because of the Texaco oil spill and these Dover homes were all on wells that were polluted. He believes this law will hold however if they are building all these units he would like to make sure they all have individual meters. Mr. Maffei asks if there is any information on alternative water sources in this area, he would think surrounding developments would get water from Dover. Mr. Abbott says they have a private water company and asks Mr. Mattson if he knows anything about it. Mr. Mattson says these buildings sit on the parcels that were identified in the legislation as those that are entitled to Walpole water. They do have to abide by our rules and regulations and pay the applicable fees. Dover Water Company supplies Dover with water however he does not believe that they go that far with the water service. Mr. Hasenjaeger suggests that for the next meeting we confirm the legal parameter for responsibility in this legislation however the 39 units may be a blessing if we are looking to sell more water and get more revenue especially if it a couple of parcels. Mr. Mattson says there are 9 parcels in total. Mr.

Hasenjaeger says it is a public health issue. Mr. Abbott says his thoughts are the original intent was that there were some home that were affected and this was the obvious place to get the water in a short order. Here it is 40 years later and we are set up to provide water to other parties and if it were swamp land they would not be able to build and they would not have public water supply so it would not be buildable. He feels there is a lot of sentiment in Town Meeting as to why we are selling water to customers that are not in Walpole and even though there is a law that says we have to do it, his question would be do we have to keep doing it. Mr. Mattson feels that we were only required to provide water to the buildings that were standing on the June 1981 date and this looks like an expansion of the property to him. He believes it should be investigated further. Mr. Mattson suggests having Counsel look at the document. Mr. Johnson says he was just going to suggest that and asks the Chairman to give them a couple weeks to further investigate and he agrees. Mr. Fasanello would like to add one more thing. He would like to state that if the Town of Walpole provides them with water then we would also own the infrastructure and Mr. Mattson responds that we already own the water main on County Street and we are not going to own anything on private property. Mr. Abbott asks Mr. Johnson to add to the list of questions to Counsel if we can require that each apartment have its own meter and own account. Mr. Mattson says we should also check to see if it is a 40B and if so we should get credit for the units. Mr. Maffei would like to state that our first priority should be with the Town of Walpole not the Town of Dover. Ms. Thompson says if we provide them water it does not mean we are going to be able to collect the money and we can't lien the property. Mr. Abbott responds for those who get our water in Norfolk we bill the Town of Norfolk and we could make that same arrangement.

### **RATE HEARING DISCUSSION**

Mr. Abbott wants to make it clear that this is not the actual rate hearing. This is being discussed because the Board has not met in a while and needs to review the information. Water is discussed first. Mr. Fasanello asks about a screen set up to see the documents that they are referring to and Mr. Johnson responds that this can be done however he did not set it up for this meeting. He says when the Board has the formal discussion on the rates he will see that it is set up. Mr. Abbott says he does have the ability to share his screen as he has made some suggestions to the water rate and can share the sheets. He continues that administration had provided proposed rate recommendations for both water and sewer and at the same time he was working on looking at the revenue to see where that was coming and he has exchanged his thoughts with Mr. Mattson, Ms. Cuneo and Ms. Thompson. The information in the packet is what was available at the time and there has since been changes and he won't spend a lot of time on his information as it too has been changes. He would like the Board to look at the proposed as it looks very much like it has in the past for the expenses however the revenue section used to list Water Miscellaneous which was for a number of items. He had suggested that it be broken out in detail so you would see the estimated entrance fees, the testing fees, penalties and interest, and also a missing it which is liens. This way we can see the actual revenue that gets recorded to meet our revenue target. The first thing he looked at doing was doing it the way we had done it in the past with exception of changing the estimated consumption as they have been so far off. He shares his graph screen and shows that from fiscal year 2014 they have been using 88 million cubic feet as the number used for estimated consumption. From FY17 to the present we have not sold that amount of water and have come up short on the revenue that we projected for rates. He believes in November or December the Abraham Group came up with an estimate of 71 million but he thinks it was higher than that because after that there were a couple of high revenue months. Just continuing the trend it looks like we would be using more like 76 million or 73 million. He sent the graph to Mr. Mattson and Mr. Marshall and asked for their thoughts and the answer that came back was the 73 and he believes that is what we should use so we don't end up coming up short on the revenue that we generate with rates. When a smaller number is used the rates have to go up as the expenses remain the same. During the past year we had discussed the rates, condo rate, senior rate and ready to serve and commercial rates. After speaking with the appropriate staff it became clear that other than the commercial

rate we will not be able to do these at this time due to various reasons. Using the 73 million and following the consumption estimate and using the same approach as used in the past it came out to be 17.2% increase which he was pretty sure would not be acceptable to the Board. He also attempted to get a better estimate trying to recognize in the first quarter of the fiscal year it is water usage from the prior fiscal year which is a lower rate, however Ms. Thompson has convinced him we would be doing estimates on estimates. The other thing he looked at is increasing the tier 3 and 4 commercial rates to the same as residential. This would be a large increase on revenue but would put a large burden on about 208 commercial properties. Previously Mr. Maffei had suggested doing this in steps so he then looked into bringing the commercial rate half way to the residential in tier 3 and 4 and this would bring the rate down to about 11%. Although the packets went out administration continued to converse and mentioned putting \$250,00 to \$300,000 from retained earnings in to adjust a lower contribution for tiers 3 and 4 from commercial properties. This would bring it to a 4.79% increase. Mr. Abbott shows the spreadsheet showing that the expenses are all the same as what was proposed, the revenues show liens, retained earnings, estimated entrance fees, testing fees, penalties and interest and MWPAT. He is suggesting that if \$300,000 of retained earnings are used and the commercial rate is raised in tier 3 and 4 to raise \$100,000 (he is being conservative) and using the estimate of 73 million, it would be a 4.79% increase. Mr. Abbott asks for the Commissioners thoughts. Mr. Maffei feels 73 million seems rather conservative but he can see why. He would propose a little higher and Mr. Abbott changes it to 76 and he says we are using the same rates. Mr. Maffei says he sees an almost 5% rate increase and until we want to implement a ready to service charge which won't happen this year, he would like more retained earnings used and bring the 76 down to 74. Mr. Abbott asks if there are any thoughts on phasing the commercial tier 3 and 4 rate and Mr. Maffei says he likes that idea. Mr. Abbott asks Mr. Mattson and Mr. Marshall about the 76 million approach as he feels it is a bit high. Mr. Marshall feels 73 is a safer number and Mr. Mattson agrees. Ms. Thompson and Mr. Abbott discuss the tier rates. Mr. Hasenjaeger says he will check with the Economic Development Commission as to how they react to the change and what Mr. Abbott is proposing seems quite reasonable. We don't know all the variables. Mr. Spillane would like to go back to a flat rate. Mr. Fasanello feels the pain should be spread out and it makes sense to go half way. Mr. Mattson and Mr. Johnson agree with Mr. Fasanello. Mr. Abbott says this is a rate across the Board of just above 7%. Ms. Cuneo wants to caution the Board about using retained earnings especially this year as it won't be as large this next year. She is feels we need to squirrel away a little bit. Mr. Abbott says he does not like doing this but it does seem reasonable. He asks if the rest of the Commission is comfortable with what they have spoken about today and he would like the hearing to be on June 8<sup>th</sup>. Mr. Johnson is fine with this and it is not an issue with regard to advertising. There are no further questions or comments on the water rates.

Sewer rates and administrations suggestion are then discussed. Mr. Abbott says this is a proposed reduction of 2.48%. Mr. Mattson says he would not be so quick to reduce the rate because the assessment will go up again next year. He cautions the Board on this and Mr. Abbott asks him if he would recommend keeping it even and he says yes but he would like to check the consumption numbers to be sure. Mr. Abbott says we have been using the 52 million number and wonders if this needs to be adjusted. Mr. Mattson responds there are more people on sewer and Siemens expanded, as well as H&V is still operating. Mr. Abbott asks the Commissioners if they are comfortable with either reducing the sewer rate or keeping it the same at \$94.21. Mr. Fasanello says companies waste material is different from home and he wonders how much it costs Deer Island to process the industrial waste. He is working on it but does not have the numbers at this time. Industrial waste is costing more and pushing up our assessment and that should be paid for by the people who generate this type of waste. Mr. Mattson says the 2 major contributors operate under permits that are issued by the MWRA which is a Toxic Reduction Discharge Permit. Mr. Abbott asks if this means they must clean up their waste to some extent before discharge and Mr. Mattson responds yes, there are certain things that are prohibited from being discharged and others that can only be discharged at a certain level. Mr. Hasenjaeger says he would not go with a reduction in the rate. Mr. Maffei wants to make sure he understands and asks if the reduction is based on a decrease on the

assessment. Mr. Mattson responds that we already got a reduction by about \$170,000 however his point is that they will eventually recoup that money which will be through the rate payers or the assessment. Mr. Maffei says zero reduction makes sense. Mr. Spillane says he is in favor of no reduction. Mr. Abbott says based on these answers we have decided a no reduction for sewer and we have come to an agreement on water. He says the final item is the I/I change that we should make. We have settled the I/I suits, the whole reason we were in trouble was because it was an unlawful fee and those paying the fee were not receiving any additional benefit. He proposes that we eliminate the I/I fee and use the MWRA grant/loan money to fund the I/I program. Mr. Mattson corrects Mr. Abbott and says it was an unlawful tax, not unlawful fee and Mr. Abbott says he misspoke. Mr. Fasanello feels then we should look at a more real entrance fee. We need to relook at the benefits of joining our sewer. Mr. Abbott responds that we haven't had it looked at in 5 years and we could have that reviewed again. Mr. Hasenjaeger feels we should do an analysis of other communities rates. **Motion Made** by William Abbott to hold a rate hearing on June 8, 2020 for Fiscal Year 21 for the restructure of water and sewer rates and Inflow and Infiltration fees. Second by Glenn Maffei. Abbott – aye, Fasanello – aye, Maffei – aye, Hasenjaeger – aye, Spillane – aye. Vote 5-0-0.

### **JARVIS FARM USE**

Mr. Mattson says that this is up in the air for the use in the summer by Recreation.

**Motion Made** by Patrick Fasanello to adjourn. Second by Glenn Maffei. Abbott – aye, Fasanello – aye, Maffei – aye, Hasenjaeger – aye, Spillane – aye. Vote 5-0-0. Meeting adjourned at 2:50 p.m.

*Approved July 27, 2020*