



*Town of Walpole
Commonwealth of Massachusetts
Board of Sewer and Water Commissioners*

*John Spillane, Chair
John Hasenjaeger, Clerk
William Abbott, Member
Patrick Fasanello, Member
Pradeep Mishra, Member*

Meeting Minutes

Monday, April 11, 2022

6:30 P.M.

**Finance Committee Room
Town Hall-135 School Street**

This meeting was taped and will be available on Walpole Media's YouTube Channel

A regular meeting of the Board of Sewer & Water Commissioners was held on Monday, April 11, 2022 at Town Hall, 135 School Street, Finance Committee Room. The meeting is called to order by Board Chair John Spillane at 6:30 p.m.

Present at the Meeting:

Sewer and Water Commissioners:

John Spillane, William Abbott, Patrick Fasanello, Pradeep Mishra and John Hasenjaeger

Other Participants:

James Johnson, Town Administrator, Patrick Shield, Assistant Town Administrator, Jodi Cuneo, Finance Director, Lisa Sinkus, Collector/Treasurer, Scott Gustafson, Sewer & Water Superintendent, Stephen Nunnery, Assistant Sewer & Water Superintendent, Rick Mattson, Director of DPW, Dennis Crowley, Vice Chair of Finance Committee, Jeff Fisher, RTM Precinct and Mary Timilty

Superintendents Status Report:

Mr. Gustafson updates on the Phase 2 SCADA Project and the new air compressor at the Willis Plant has been installed and working properly. Mr. Gustafson continues to update on the Leonard Road Sewer Station progress. Mr. Gustafson updates the Board about the 2022 Water Management Policy that will take effect May 1, 2022 and it is similar to the ones in the past. Mr. Gustafson updated there have been no major leaks or breaks and they continue to do routine tests. Discussion is had on the Water Management Act Permit.

Discussion Item FY23 Sewer and Water Budgets

Mr. Johnson addresses the Board and summarizes the memo he provided to the Commissioners. Mr. Johnson discusses the rate scenarios he provided to the Board and the drafted motion. Mr. Johnson comments to the Board he needs some directive on the main Motion to be considered at Town Meeting for both the Sewer and Water. Mr. Johnson summarizes the drafted Motions and the increases. Mr. Johnson comments on The ARPA Funds and the amounts Walpole is set to receive. Mr. Johnson continues to update the Board that the Select Board is in charge of the funds coming in and requests for funds are to be made to the Select Board and further information is provided. Mr. Johnson summarizes the CARES Fund and what items this fund covered during the Pandemic. Mr. Johnson commented to the Board he provided them with the Approved Capital Projects and the funding. Mr. Johnson comments on the Audit and the concern from the Board on the indirect costs. Mr. Johnson updates the Board that himself and Director Mattson secured the Pioneer Group to work the Town to review all the indirect

costs. Mr. Johnson comments the Pioneer Group will come in front of the Board to discuss their findings of the Audit. Mr. Johnson continues to review the package contents he provided to the Board.

Mr. Fasanello asks Mr. Johnson about the CARES Act funds and lengthy discussion is had by the Board Ms. Cuneo and Mr. Johnson. Mr. Fasanello asks about the ARPA funds and what the percentage of the budget between Schools and Municipal. Mr. Johnson answers the Budget is 66% Schools and 34% Municipal and further discussion is had regarding the ARPA Funds.

Mr. Spillane comments to the Board they should give Mr. Johnson some directive on the Budget and further discussion is had on the budget, rate tiers and billing frequency.

Mr. Hasenjaeger discusses in length the hybrid rate solution to provide the guidance to The Finance Committee and Administration that there will be enough revenues to fund the future budget. Discussion is had between Mr. Abbott and Mr. Hasenjaeger regarding the hybrid rate solution. Mr. Mishra provides his comments, suggestions and comparisons regarding rate increases and discussion is had.

Mr. Fasanello discusses the service fees and the potential fire protection fees. Discussion is had between Director Mattson and Mr. Fasanello regarding fire protection. Further discussion is had regarding charging for fire protection services, entrance fees, cutting expense examples and more future computerization is discussed.

Mr. Fasanello requests the account number on the water bills is made larger.

Mr. Hasenjaeger comments on the fixed rate system and the tweaks and revisions that will have to be made after Town Meeting and discussion is had.

Motion made by Mr. Hasenjaeger ***Seconded*** by Mr. Abbott to change the towns budget along the lines of the two hybrid worksheets provided which adds and subtracts. To add to the revenue sources of the fixed rate to the water of \$2.50 per quarter (\$10 per year) and the fire suppression of \$900 a year and eliminating the increase of indirect costs of \$50,683 and for estimating purposes to show a balanced budget at Town Meeting. The board can up the estimate of average collections from 94% to 95%.

2-3-0 (NO VOTE)

Roll call John Hasenjaeger-Yes, William Abbott-Yes, Patrick Fasanello-No, John Spillane-No, Pradeep Mishra- No

Discussion is had and concerns expressed about using retained earnings and the different scenarios of rate tier structures.

Dennis Crowley, Vice Chair of the Finance Committee addresses the Board of his concerns if the Board does not agree on the rates and Mr. Fasanello answers the rates will stay the same. Mr. Crowley continues to address his concerns about the Sewer and Water rate setting process. Mr. Mishra and Mr. Crowley have further discussion regarding the rates and the partial fiscal year billing.

Further discussion is had by the Board about the 0/0/5/14% tier rates. Mr. Fasanello comments he is in favor of the 0/0 and he would agree to the \$2.50 per bill and Mr. Spillane comments he is against the per bill charge and discussion is had regarding the rates and the town wide water consumptions.

Jeff Fisher, RTM Precinct 5 asks the Board and asks about uncollected water and sewer funds. Ms. Sinkus provides an explanation of the process of uncollected funds and discussion is had. Mr. Fisher

asks about the fire suppression charges and who is being charged. Mr. Mattson answers it is primarily commercial and industrial who has a fire sprinkler riser.

Motion made by John Hasenjaeger **Seconded** by Mr. Abbott that The Board of Sewer & Water Commissioners are in agreement with James Johnson, Town Administrator's suggestion for discussion of raising the water tier rates to Tier 1 by "0", Tier 2 by "0", Tier 3 by 5% and Tier 4 by 9.9%. This will calculate the sum of \$4,738,085 to come from \$3.88046 in user fees \$296,000 in receipts and \$161,679 retained earnings.

Vote 3-2-0

Roll call John Hasenjaeger-Yes, William Abbott-Yes, Patrick Fasanello-No, John Spillane-Yes, Pradeep Mishra- No

Lengthy discussion is had by the Board, Mr. Johnson, Mr. Mattson and Ms. Cuneo regarding the Sewer Budget and potential sewer rate increases and the percentage amount being paid to the MWRA is discussed as 5%. Potential tiered sewer billing is also discussed by the Board.

Motion made by Mr. Abbott **Seconded** by Mr. Spillane that The Board of Sewer & Water Commissioners are in favorable action with James Johnson's sewer budget as proposed raising the sewer rate the sum of \$5,097,878 in the following manner user fees \$4,322,273 (7.5% increase) miscellaneous receipts \$467,500 old capital projects \$299,956 and sewer retained earnings of \$24,749-which is a 7.5 % increase and no per bill charge

Vote 3-2-0

Roll call John Hasenjaeger-No, William Abbott-Yes, Patrick Fasanello-Yes, John Spillane-Yes, Pradeep Mishra-No

Discussion is had regarding the ARPA Funds and Mr. Johnson comments they will develop a list to present to the Commission to prioritize as to what the Board would like the funds to go towards to be presented to the Select Board.

Mr. Johnson and Mr. Mattson summarize the Sewer and Water indirect costs audit plans by the Pioneer Group and the cost is discussed. Mr. Fasanello comments the Commonwealth of MA has a Department which provides audits for indirect costs at no charge. Mr. Fasanello will reach out to the State to inquire about the audit.

Discussion is had regarding the internal billing spreadsheet.

Motion made by Mr. Abbot to adjourn at 8:35 p.m. **Seconded by** Mr. Fasanello

Date Meeting Minutes Accepted: **May 5, 2022**