



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

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

MEETING MINUTES

Monday, June 12, 2023

6:00 P.M.

Finance Committee Meeting Room, Walpole Town Hall

A regular meeting of the Board of Sewer & Water Commissioners was held on Monday, June 12, 2023 in the Finance Committee Meeting Room at the Walpole Town Hall, 135 School Street. The meeting is called to order by Board Chairman, John Hasenjaeger at 6:00p.m.

Chairman Hasenjaeger announced that the meeting will have remote participation and that Commissioner Fisher will be participating remotely. Mr. Hasenjaeger read the Open Meeting Law statement which remains in effect.

Present at the Meeting

Sewer and Water Commissioners:

John Hasenjaeger, Patrick Fasanello, William Abbott, Pradeep Mishra and Jeffrey Fisher (remote)

Other Participants:

Jim Johnson, Town Administrator, Jodi Cuneo, Finance Director, Rick Mattson, Director of Public Works, Scott Gustafson, Sewer and Water Superintendent, Stephen Nunnery, Asst. Sewer and Water Superintendent, Barbara Cloney, Board Secretary

Minutes: March 13, 2023, March 27, 2023 and April 24, 2023

Motion made by Mr. Abbott and ***Seconded*** by Mr. Mishra to approve the minutes with said changes of March 13, 2023.

Vote 4-0-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott-Yes, Pradeep Mishra-Yes, Jeffrey Fisher- was not present at the meeting yet.

Motion made by Mr. Abbott and ***Seconded*** by Mr. Hasenjaeger to approve the minutes of March 27, 2023.

Vote 3-0-1

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott-Yes, Pradeep Mishra-Abstain Jeffrey Fisher- was not present at the meeting yet.

Commissioner Fisher joined the meeting remotely at 6:08pm

Motion made by Mr. Abbott and ***Seconded*** by Mr. Mishra to approve the minutes with said changes of April 24, 2023.

Vote 3-0-2

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott-Abstain, Pradeep Mishra-Yes, Jeffrey Fisher-Abstain

Superintendents Status Report:

Mr. Gustafson noted that there have been no leaks or breaks since the last meeting. Mr. Gustafson continued other than one that was construction related and has been repaired. Mr. Gustafson provided an update that South Street has been completed since the last meeting. Mr. Gustafson reported that the contractors have moved on to Walnut Street and that they are making good progress. He also reported that the Hydrant Flushing program continues and will continue as long as they can do so. Mr. Gustafson also noted that they have been performing hydrant maintenance and hydrant painting. Mr. Fasanello requested that the Superintendent Status Reports be included in the package going forward.

Correspondence

Mr. Hasenjaeger asked Mr. Abbott to report on revenue numbers. Mr. Mishra noted vs. pumping numbers.

1. Mr. Mishra noted that the water pumping numbers are high compared to last year and as a result, there is more revenue than budgeted. Mr. Mattson pointed out that pumping water doesn't necessarily mean billing more.
2. Mr. Mishra reported revenue was met for the year for both sewer and water and still have one month to bill.

Discussion Items #1: 225 General Edwards Highway – Sharon

Mr. Hasenjaeger received a letter from Mr. Noonan, 225 General Edward Highway, Sharon, inquiring about the potential of hooking up to Walpole utilities primarily sewer at the location of 225 General Edward Highway, Sharon. The letter points out the location abuts Lexus Herb Chambers dealership. Mr. Hasenjaeger noted out of courtesy for economic development and good business reasons that he would suggest that 225 General Edwards Highway, Sharon, come in with a presentation at a future date.

Discussion Items #2: Revised plans for Off Warwick Road

Mr. Gustafson noted that the revision is on sheet 7 of the plans which details the water line off Warwick Road. Mr. Fasanello notes that on the plans he sees an easement going to Summer Street from the cul de sac on Warwick Road and doesn't understand how the house being built will connect to the sewers. Mr. Fasanello believes that it would be in everyone's benefit if they could set some easements in connecting these pieces. Mr. Fasanello commented about the possibility of utilities easement from Boyden Road, Stonybrook Road (and others) that it would be a benefit for everyone. Mr. Fasanello continues that it would be two ways to get their water and the town grid would be completed. Mr. Abbott will forward the comments to the Planning Board.

Discussion Items #3: Jarvis Farm

Mr. Fisher asked that Mr. Gustafson reach out to Brendan Croak, Recreation Department, to come talk to the Board about declaring the surplus on what was identified. Mr. Gustafson will set up a meeting. Mr. Fasanello noted that he would like to see some movement there and asked about the status of the Jarvis Farm grant. Mr. Mattson noted that getting the grant that was filed through conservation he believes was unsuccessful. Mr. Mattson continued that they are going to put in a Capital Improvement request. Mr. Mattson noted that Brendan Croak will be put on one of the upcoming agendas.

Discussion Items #4: Meter to Cash Report

Mr. Gustafson noted that they had an issue migrating the new system but overcame that and stayed on schedule. Mr. Mishra asked for a copy of report to see how much lag went on different billing cycle.

Mr. Hasenjaeger states that he is opening the Sewer and Water Commission Public Rate Hearing past 6:30pm

Vote 5-0-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott-Yes, Pradeep Mishra-Yes, Jeffrey Fisher-Yes

Discussion is had on the presentation and who will present it. Mr. Abbott will present. Mr. Abbott points out that the Sewer and Water systems are self funded. Mr. Abbott continues to look at what the rates must cover. First thing, Water FY24 expense as well as revenue. Mr. Abbott explains wages and salaries in department, operational expense needs - largest items are electricity and water treatment chemicals. Mr. Abbott notes that the expenses were \$1.9 million which is up 14.5% from last year and noted that Mr. Gustafson mentioned that it is a result of the dramatic increase in treatment chemicals. Mr. Abbott stated that long term debt is being paid off on long term large projects. Long term debt is \$1.7 million which is 11% less than previous year. Mr. Abbott mentions that the bulk of revenue is coming from user charges.

Mr. Abbott provides information on the Sewer expense and revenue. The sewer expense follows the same pattern as the water system. One big exception in the case of water is it's a total local operation, it's our water which we get out of the ground, treat and distribute it. Mr. Abbott continues we have a very small sewer department because the MWRA does all the treatment of all our waste. Mr. Abbott continues that as a result, the MWRA assessment dominates our expenses and also dominates what we have to set for a rate increase. Mr. Abbott points out that the MWRA increase was 5% which basically accounts for the bulk of our expenses. Mr. Abbott notes that on revenues, just like water, the number of miscellaneous items are the user charges that is again the bulk of revenue that we use.

Mr. Abbott reviews the proposal rates for FY24. Mr. Abbott points out that the proposed rate they continue to use is the inclining block rates. Mr. Abbott believes this is the 4th or 5th year of doing that. Mr. Abbott points out that the essential water users get lower rates and the non-essential users as well as high volume users get higher rates and we will be billing quarterly. Mr. Abbott notes that for Walpole water users, we are proposing a 1% increase which is the lowest increase in many many years. Mr. Abbott points out that out of town users, which are very few and most added 30 or 40 years ago, the increase will also be 1%. Mr. Abbott also states that in the recent past, the Sewer and Water Commission has not expressed interest in supplying water to customers outside of Walpole.

Mr. Abbott discusses the Fire Suppression assessment, which was added last year and is a flat rate of \$500. Mr. Abbott continues that based on a fairness complaint by a small apartment owner who was surprised getting a \$500 bill. Mr. Abbott suggests that they deliver the same revenue but have 3 different rates. Mr. Fasanello suggests that a 3 family residential house or less, their assessment would be no charge. Mr. Fasanello continues anything over a 3 unit residential building excluding commercial activity, they should be assessed \$100 a year.

Mr. Abbott continues with the proposed FY24 sewer rate. Mr. Abbott states that as mentioned earlier, the sewer rate is driven by the MWRA sewer assessment. Mr. Abbott continues that the proposed increase is 5% and also proposed is to change the percentage of water use as a substitute for sewer volume.

Mr. Abbott discusses the septic rate that is currently 8 cents. Mr. Abbott continues that the sewer proposal suggests that we go to 6 cents for FY24 because last year we raised the rate from 7% to 8%. Mr. Abbott points out that the haulers (private businesses) have other options of where they can discharge septic system waste and we started losing some volume. Mr. Mishra states that he is against any changes to the rate system. Mr. Fisher added that they did a survey with most of the haulers out there using our facility as well as haulers not using our facility. Mr. Fisher asked why they were not using our facility and a lot had to do with where we were hauling from, not being MWRA, hours staffed, how much other facilities were charging. Mr. Fisher added that some of the facilities were down in the 6 cents range. Mr. Fisher pointed out that we are trying to be competitive and it is revenue for us whether we charge 7 cents or 6 cents.

Mr. Abbott discusses a chart that shows the distribution of the sewer and water customers. Mr. Abbott continues that the chart shows the actual impact and adds that the large part of increase is driven purely by the MWRA assessment. Mr. Fasanello points out that the lowest tier of 1,200 cubic feet or less this year will be \$178/qtr., the tier for 1,900 cubic feet will be \$288/qtr. and a tier for a large family will pay \$485/qtr. These figures are for both sewer, water, and are billed quarterly.

Mr. Abbott discusses the retained earnings for sewer and water. Mr. Abbott broke it down and noted that at the beginning of FY22, the retained earnings for water was \$2.8 million and there were 3 items that reduced that total. Mr. Abbott states they had to use \$80,000 on the rates, \$1.4 million on capital items and a legal settlement. Mr. Abbott continues at the beginning of the month our retained water earnings were \$1,081,159 which is \$150,000 below what the best practice of always having 20% of revenue. Mr. Abbott discusses the sewer; we started the fiscal year with retained earnings of \$1.4 million. Mr. Abbott notes that we did not have to use any sewer retained earnings on the FY23 sewer rate. Mr. Abbott notes that we did have \$50,000 worth of capital and a sewer component as part of the legal settlement resulting at the beginning of the month, the sewer retained earnings for sewer was \$1,283,983, which is slightly above the proposed 20% revenue best practice. Mr. Mishra asked what will happen to the \$700,000 extra revenue YTD. Mr. Abbott answered the retained earnings will be certified around August. Mr. Abbott continues that the money will be available in October, which we will dip into for a number of capital items. Mr. Fisher pointed out that the \$700,000 surplus this year will go to the water retained earnings. Mr. Hasenjaeger pointed out that if we were able to upgrade the utilization of the septic facility that could help bring in more revenue.

Mr. Abbott proposes as presented that we would increase the water rates by 1 %, the fire suppression taking Mr. Hasenjaeger and Mr. Fasanello's suggestion to use the table but deal with just commercial excluding residents that has 3 or less units, a sewer increase of 5% and the septic go from 8 cents to 6 cents.

Mr. Abbott states that those would be the changes that he would make a motion to adopt for rates for FY24.

Motion made by Mr. Abbott and **Seconded** by Mr. Fisher to approve the FY24 rates.

Vote 2-2-1

Roll call John Hasenjaeger-No, Patrick Fasanello-Abstain, William Abbott- Yes, Pradeep Mishra-No, Jeffrey Fisher-Yes

Mr. Mishra asked for break down to have water separate, sewer separate and septic separate in the entire package.

Mr. Abbott suggests they look at individual items. Mr. Abbott states that he would like to add the 1 % water increase and the fire suppression piece. Mr. Hasenjaeger noted that the commercial suppression system with the residential exemption only after 3 units and to specify it's commercial but includes residential over 3 units. Mr. Fisher added the rates were calculated based on the small, medium, large and the large being \$1000 not \$100. Mr. Abbott noted that he would change the typo and that rates are small \$100, medium \$500 and large \$1,000.

Motion moved by Mr. Fasanello and **Seconded** by Mr. Abbott to approve the 1% water increase and the fire suppression.

Vote 5-0-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott- Yes, Pradeep Mishra-Yes, Jeffrey Fisher-Yes

Mr. Abbott makes a motion that the sewer rate increase 5% and that the rate would be applied against 87.5% of the water use excluding the issue if you have a 2nd meter where we already have 100%.

Motion withdrawn by Mr. Abbott

Mr. Mishra would like to add a discussion point that he thinks the 87.5% change is not a great idea, last year we already reduced it from 20% discount to the residential customer to 15% which was 85%. Mr. Mishra would like to propose 85% residents and 100% for commercial users. Mr. Fasanello noted that the sewer rate for out of town is the same for in-town and the out of town rate increase should be higher. Ms. Cuneo states that the out of town sewer users are less than 2% (9 people). Mr. Fasanello states it is about fairness and realizes that it won't amount to much. However, Mr. Fasanello continues that we didn't have to put the out of towners on our sewer who are paying the same rate increase as our in-town users who for a 100 years have supported the infrastructure that everyone is now enjoying.

Mr. Hasenjaeger proposes that we keep the resident sewer at 85% and we go to 90% (other than those deemed 100%) for commercial sewer users. Mr. Hasenjaeger states that he hopes the missing \$40,000 or \$50,000 comes from the increase in the septic.

Mr. Hasenjaeger makes a motion for the sewer increase of 5% - using 85% water for residential, commercial rate would be 5% but we would be going against 90% of their water excluding the H&V who is at 100% or any other heavy user. Also, Mr. Hasenjaeger states the septic rate would change from 8 cents to 6 cents.

Motion made by Mr. Hasenjaeger and **Seconded** by Mr. Abbott to approve the FY24 sewer and septic rates increase.

Vote 5-0-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott- Yes, Pradeep Mishra-Yes, Jeffrey Fisher-Yes

Mr. Abbott provides the fee schedule and notes that the water charges lists that it is a 90-day billing period. Mr. Mishra notices on some occasions that it has been 89 or 91 days. Mr. Abbott suggests changing it to say quarterly billing cycle. Mr. Mishra suggests changing it to say 30-day block – quarterly billing. Mr. Abbott disagrees and a discussion is had about computer billing cycle.

Mr. Abbott asks Mr. Gustafson if he sees a need to change the flat rates for final readings. Mr. Gustafson does not see a need at this time. Mr. Fasanello states that he has had work done and noticed rates have gone up by plumbers etc. Mr. Fasanello adds that he would think that the town expenses have to have gone up too. Mr. Mattson states that the reading expenses are accounted for in the connection fees – gasoline etc. Mr. Mattson adds that fees are currently under review based on the information that the consultant has provided them. Mr. Mattson states that he is of the opinion that the fees are where they should be right now. The study is 90% complete.

Mr. Fasanello suggests that we raise the connection fee and it has to account for the infrastructure cost and the capacity usage. Mr. Fasanello proposes to increase the connection fee so people who are joining our sewer system pay their fair share. Mr. Mattson stated that he would reach out to the consultant and have them look at that and see how to best incorporate. Discussion continues about the Walpole sewer system.

Mr. Abbott states that other than just putting in the new rate tables, he suggests leaving the rest of the fees for now.

Motion made by Mr. Abbott and ***Seconded*** by Mr. Fisher to close the Rate Hearing.

Vote 2-2-1

Roll call John Hasenjaeger-No, Patrick Fasanello-Abstain, William Abbott- Yes, Pradeep Mishra-No, Jeffrey Fisher-Yes

Mr. Mishra would like to discuss the 40 cent payment charge. Mr. Mishra would like to have it removed. Mr. Hasenjaeger wonders if the 40 cent charge was taken away next period, how many more people would we get to pay electronically. Other meeting members do not believe that removing the 40 cents charge makes sense. Mr. Johnson stated that he offered to have a work session but peoples schedule did not work out. Mr. Johnson continued that it is outside the rate and could impact tax bills negatively. Mr. Johnson also suggested a vote to direct to his office to work with Town Counsel and for the office to check to see if it impacts any area of the town. Mr. Hasenjaeger believes that that legal counsel would cost more than the test. Mr. Mishra asks to have the Sewer and Water 40 cent fee removed if possible.

Mr. Mishra would like to make a motion to remove the 40 cent charge from the bank account fees on the Sewer and Water payments.

Motion made by Mr. Mishra and ***Seconded*** by Mr. Abbott to remove the 40 cent payment charge on the Sewer and Water bills.

Vote 4-1-0

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

Motion made by Mr. Fisher and ***Seconded*** by Mr. Abbott to close the Public Rate Hearing.

Vote 5-0-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott- Yes, Pradeep Mishra-Yes, Jeffrey Fisher-Yes

Discussion takes place about Reorganization.

Motion moved by Mr. Hasenjaeger and ***Seconded*** by Mr. Fasanello to have Reorganization.

Vote 4-1-0

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

Mr. Mishra calls for nominations for Chairperson for the Board of Sewer and Water. Mr. Fasanello nominates Mr. Hasenjaeger as Chairman. Mr. Abbott announces they are no other nominations. Mr. Mishra closes the nominations for Chairman.

Motion made to vote for Mr. Hasenjaeger as Chairman of the Board of Sewer and Water.

Vote 4-1-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott- Yes, Pradeep Mishra-Yes, Jeffrey Fisher-Abstain

Mr. Hasenjaeger opens the nominations for Clerk. Mr. Fasanello nominates Mr. Mishra. Mr. Hasenjaeger closes the nominations for Clerk.

Motion made to vote for Mr. Mishra as Clerk of the Board of Sewer and Water.

Vote 4-1-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott- Yes, Pradeep Mishra-Yes, Jeffrey Fisher-Abstain

Motion made to adjourn the meeting at 8:16pm

Vote 5-0-0

Roll call John Hasenjaeger-Yes, Patrick Fasanello-Yes, William Abbott- Yes, Pradeep Mishra-Yes, Jeffrey Fisher-Yes

DATE MINUTES ACCEPTED: September 25, 2023