

June 12, 2017

A regular meeting of the Board of Sewer & Water Commissioners was held on Monday, June 12, 2017 at 7:00 p.m., at the Edward J. Delaney Water Treatment Facility, 1303 Washington St.

Present: William Abbott, John Hasenjaeger, Tom Brown, Patrick Fasanello and John Spillane. Also Rick Mattson, Supt. of Sewer and Water.

REORGANIZATION

Mr. Abbott nominates John Spillane for Chairman. Mr. Fasanello nominates Tom Brown for Chairman. Mr. Hasenjaeger seconds both nominations. Vote for Mr. Spillane 2-0-3, Fasanello, Brown, and Hasenjaeger abstained. Vote for Mr. Brown 3-0-2, Abbott and Spillane abstained. William Abbott nominates John Hasenjaeger for clerk. Second by Patrick Fasanello. Vote 5-0-0.

All abatements submitted tonight are reviewed and signed.

SUPERINTENDENT'S STATUS REPORT

Mr. Mattson reports that his crew has been focusing on general maintenance on curb and gate boxes, and the fire hydrant parts that were damaged by the sidewalk plows. Many of them have been returned back to service. They have also focused on the waste basins at the Delaney. He feels they should look to upgrade the old system to make it more manageable. The demand for water averages at 2.9 mg and the weekend demands were 3.2 and 3.6 mg, and there is not supposed to be any watering over the weekend. Certain people choose not to abide by the policy. Mr. Brown asks about the groundwater levels and Mr. Mattson says they are favorable right now. Mr. Brown then wonders if we should change the water management policy and Mr. Mattson responds that he expects it to drop. He does not think it is a good idea to change the policy all mailings were sent, signs were made and it was completely advertised and it would cause a lot of confusion. There is discussion on prohibiting lawn irrigating and stepping up patrols when necessary. Mr. Mattson then reports that there is a meeting with DEP with regard to Dioxane and Mr. Hasenjaeger asks if the Board is invited and the answer is yes. Mr. Brown speaks of a customer of his that he questioned about silver tubes he had and the customer told him it was to take chemicals out of the ground. He has given the information to Mr. Mattson for investigation. There are questions by the Board that Mr. Mattson answers with regard to the treatment process of the Dioxane. Mr. Spillane asks about the money appropriated to determine the best method of treatment and Mr. Mattson says we need to move forward cautiously. Mr. Brown then refers back to the fire hydrant repairs. Mr. Mattson explains that the repairs were a backing plate. Mr. Brown asks how they were broken and Mr. Brown asks if the Town was charged for the repairs and Mr. Mattson says it was a very small amount. Mr. Fasanello says every penny counts. Mr. Mattson says he is keeping track. Mr. Fasanello says we pay more than \$1.2 million in indirect costs and should charge for what we do for the Town. Mr. Brown says we should see the bill for the hydrant repairs. **Motion Made** by Patrick Fasanello to see a bill for the hydrant repairs. Second by Tom Brown. There is some discussion. Vote 2-2-1, Spillane and Hasenjaeger against and Abbott abstains. Motion fails.

SIGNING OF SEWER EXT. PERMIT – HIGH MEADOWS (RIDING TRAIL WAY)

Mr. Mattson reminds the Board that they were looking to have the water main looped out to Rose Marie Lane. The sewer extension permit was approved but not signed until this was investigated. The easement is currently for drainage and in checking with Town Counsel it cannot be changed to a utility easement without securing a new easement. Mr. Fasanello says this does not make sense and Mr. Mattson says it all has to do with the wording. Mr. Hasenjaeger suggests making a policy that the Town Engineer requires generic entitlement for easements. Mr. Fasanello says we always now require a utility easement. **Motion Made** by Tom Brown to accept and sign the sewer extension permit for High Meadows subdivision. Second by John Hasenjaeger. Vote 5-0-0.

ECHO ESTATE REVISED PLANS

Mr. Mattson says the revisions were related to the relocation of the fire hydrants. This is read and noted.

UNION VILLAGE (BURNS AVE) REVISED PLANS

Mr. Mattson says the water main is being looped out to Union St. Mr. Fasanello asks about getting a loop on Brook La. and the answer is it dead ends. There is discussion on the Engineer needing to look for looped lines. Mr. Mattson agrees to speak to her tomorrow. This is read and noted.

SIGNING OF BOND CONTRACT (I/I) BROOKSIDE

Mr. Mattson tells that this is the project on Pine Street. The connection fees will be paid at the time of application for building permits and a bond is posted for I/I as the work is not available. Mr. Brown asks what will be the rate they are paying for the I/I and he is told at the rate that is in effect now. The contract for the bond is signed.

7:30 PUBLIC RATE HEARING

The public hearing is opened by Chairman Brown and the publicized legal notice is read. All items on the current fee schedule are read and items to be discussed are held. The held items are then discussed. Administration has recommended increasing the in town water rate to \$59.37 per 1000 cf and Mr. Abbott recommends adopting this rate. Mr. Fasanello says we did not discuss this and if they did, the town has a constraint of 2 ½. He says he would have gone with \$58.53 which is about 2 ½ % up from last year. He feels we go up higher than all the other town budgets every year. If the other budgets can stay within the 2 ½% we should also. Mr. Brown asks what we have for retained to offset this. Mr. Mattson responds, we use \$15,000 to get it to 3.97%. Mr. Abbott says this was to get it below the 4% and Mr. Mattson adds that this is correct and was based on the workshop meetings that took place. Mr. Brown asks Mr. Fasanello what he would like the rate to be and the response is \$58.53. Mr. Abbott recalls when the sewer rate was adjusted last year something had to be done at the FATM because of how it was appropriated. Mr. Mattson agrees and explains that \$885,000 of retained earnings is being used for capital projects and the Finance Director took an extra \$15,000 to lower the rate below 4%. There is discussion regarding what is a revenue source and what is accounted for in this fiscal year versus next fiscal year. Mr. Fasanello says the retained earnings were played with to get it to below 4% and Mr. Mattson corrects him and says this was a directive from the Board. It is

explained that in January a workshop was held where this was discussed. Mr. Spillane says he likes Mr. Fasanello's idea. Mr. Brown then asks how much of the retained earnings would be needed to get the rate to a 2.5% increase. Mr. Fasanello wonders why we are bonding the dioxane article and Mr. Mattson wonders why we did not bond the High Plain St. clean up instead of putting it on the rates. Mr. Fasanello says they take the recommendation of the town and Mr. Mattson says that was his recommendation. Mr. Moraski asks to speak. He would like to know if we are considering ascending rates. Mr. Abbott explains that we will not be applying block rates at this time however he has information further into the agenda regarding this. His goal is to run a duplicate system this year to make sure the block rate will yield the same revenue. Mr. Moraski asks if we would be inclined to have a second public hearing in about 6 months or so and Mr. Abbott responds that if we decide to do this we would have to let the people know. Mr. Moraski then asks about capital items and his questions are answered by Mr. Abbott. Mr. Moraski then asks if this Board has any articles for this coming FATM and Mr. Abbott says he is not aware of anything and if we did it would have to be something that came up as a surprise. Ms. Burke has questions on the Water Management Policy fines and strongly suggests raising these fines. It is explained to her that it is a by law and it would have to be a town meeting vote. There is some discussion. Ms. Burke says with all the construction going on there will be more demands on water. Mr. Abbott says it would take a non-capital article on FATM and Ms. Burke feels it would be a good idea to attempt to raise them. Mr. Mattson says it take an additional \$71,409.00 to get the rate to 2 ½%. Mr. Abbott adds there is currently about \$700,000 in retained earnings and the Finance Director suggests never going below \$500,000. Mr. Mattson says \$72,000 will take you just below 2 ½%. Mr. Brown asks Mr. Fasanello what he would like to do and he responds that he feels it is the best we can do. Mr. Mattson says it will be \$72,000 on top of the \$15,000. Mr. Abbott asks what the rate would be then and Mr. Fasanello says \$58.53/1000 c.f. Mr. Abbott adds that we would have to put an article on the FATM and Mr. Mattson says yes, to authorize the use of retained earnings. Mr. Hasenjaeger says it is an expenditure and the cost of doing business so we don't need approval but he is told to use any retained earnings requires approval of town meeting. Mr. Abbott explains how money needs to be certified by the State. There is discussion.

The next held items were held by Mr. Abbott; the Out of Town Water Rate which is 33% higher than the in town rate and the seasonal rate which is 25% higher than the in town rate. So if the base is \$58.53 making the Out of Town Water Rate \$77.84 and the Seasonal Rate would be \$73.16. Mr. Mattson suggests an additional charge for those who schedule appointments such as final readings and don't show up. There is discussion. Mr. Brown asks about a new category and it is determined to call it a Missed Appointment (Final Reading or Service Call). Mr. Mattson is asked what he would recommend the charge to be and the answer is \$100. Mr. Brown wants to make sure this cost covers the hourly rate, fuel, etc. and Mr. Mattson says it does. There is discussion on when the charge should be applied. Entrance fees were discussed but were unchanged. Mr. Mattson then asks in Category C Residential Water C also have a slash Non Residential because if a commercial building comes in there is no category. Mr. Fasanello suggests just have the wording say Water Supply (C) and all agrees to this. Mr. Fasanello then refers to the Cross Connection Testing Charge and feels it has not increased in a very long time and should be. He says the going rate is now \$120 per device and we should change ours to this. Retest should also be \$120. The first retest is free and Mr. Brown does not think it should be free. However after discussion the Board agrees that it is a good idea to test for free so that they

are confident the device is working properly. Mr. Brown then talks of the After Hours Surcharge at the Septage Facility. Mr. Mattson says it would cost closer to \$150 to \$175 because there is a minimum of 4 hours to the employee however this charge has never been used. The Board agrees it should be changed to \$175. Mr. Abbott releases his hold on sewer entrance fees. The Sewer Cost Rate is proposed by administration to be \$87.61 or a 2.99% increase. Mr. Fasanello tells that the sewer assessment by the MWRA will be going up and explains why. Mr. Abbott says his last hold was the out of town sewer charge which would be 33% higher than in town or \$116.52. It is then suggested that the frequency of billing be taken out as it says quarterly and that is no longer the case. The Board agrees. Mr. Brown asks what the increase on the MWRA Assessment was and Mr. Mattson says 3.8%. The regulations are then discussed. Mr. Mattson suggests that the Board review the regulations and have another public hearing. There have not been any changes made. Mr. Abbott suggests closing the rate hearing and having another public hearing once the regulations can be reviewed. **Motion Made** by John Hasenjaeger to close the rate hearing. Second by William Abbott. Vote 5-0-0.

Motion Made by William Abbott to accept all the changes that were discussed in the public rate hearing. Second by John Hasenjaeger. Vote 5-0-0.

The regulation public rate hearing will be the first meeting in August.

SIGNING OF BOND CONTRACT (I/I) BROOKSIDE

Mr. Mattson explains that this is the bond contract by the developer of the Pine Street project. The bond has been posted and this is the contract to the bond that needs to be signed by the Chairman. **Motion Made** by William Abbott to authorize the Chairman Brown to sign this contract. Second by John Spillane. Vote 5-0-0.

Mr. Mattson says there is another development Roscommon (Sunny Rock) that is asking that the I/I funds be paid during the time of building application which is when they also pay their water and sewer entrance fees. He feels this is the way to go as it is a better tracking method. **Motion Made** by Patrick Fasanello to create a policy for Inflow and Infiltration obligations so that they are satisfied when the building permit application is filed as well as the sewer and water entrance fees. Second by John Spillane. Vote 5-0-0.

The 8:30 appointment has cancelled.

MICHAEL MANZO, 100 ELM ST. REVISED PLAN #2

This is read and noted.

SITE PLAN DECISION LIBERTY VILLAGE, 1034 EAST ST.

This is also read and noted.

INCLINING WATER BLOCK RATE STRUCTURE

Mr. Abbott explains his documents and chart. He says the block rate is an incentive to use less water. Mr. Fasanello asks why he used 5 steps and Mr. Abbott responds that it was arbitrary; the tools allow to change it to whatever the Board wishes. Mr. Fasanello feels it should be 2 or 3 steps. Mr. Abbott says the tool allows the ability to put in the numbers to generate the same revenue. Discussion is held. Mr. Abbott explains what the tool he developed can do. He then explains his chart. Mr. Mattson suggests using residential, commercial and industrial rates

rather than block rates based on usage. He is told that both could be done. Mr. Hasenjaeger says he would like to play with Mr. Abbott's model. There is further discussion. Mr. Abbott says he spent a lot of time on this because it may come down to the DEP requiring this for our Water Withdrawal Permit and our rates are geared to pay for our expenses. Mr. Hasenjaeger says he is new to the Board and does not know how much discussion has been held on long term capital needs. Mr. Abbott tells of the Capital Budget that is for the next 15 to 20 years and then we figure what needs to be done that we have the revenue to do. There is then discussion on the DEP Water Management Permit. Mr. Mattson says we are permitted to withdraw 3.34 mg and the next permit is proposed by DEP to be 2.53 mg. Mr. Hasenjaeger would like to applaud Mr. Abbott for the work he has done. Mr. Mattson briefly speaks on infrastructure and depreciation charges. There is then talk on parallel billing so it can be determined if the inclining block rate will achieve the same revenue as current billing. The Board decides to conduct a workshop meeting so that Mr. Abbott can present the scenarios that he has put together and the tools available to switch things around. This will be held July 11th at the Town Hall at 7:00 p.m.

Mr. Matson speaks on Jarvis Farm damage that occurred overnight. He says doors were kicked in among other things. He would like to lock the gates at dusk to attempt to discourage this.

Motion Made by Tom Brown that the Sewer & Water Commissioners direct Mr. Mattson, Superintendent of the Water and Sewer Department for Walpole issue an RFP (Request for Proposals) for an operational audit to be conducted of the Town of Walpole's Water and Sewer Departments with a scope of work to include but not limited to: review of staffing and compensation and identify opportunities for reduction and/or consolidation of positions for purposes of cost reduction; identify where it makes sense economically to permanently hire (or do work in-house with existing personnel) in lieu of procuring services from Town Hall; For those areas where procured services cannot be brought in-house, benchmark the rates paid by comparable communities for similar services; recommend any best practices which may improve operations as part of the final audit report also ensure that technology is being used effectively make process more efficient; determine whether the Water and Sewer Department is being appropriately charged for indirect costs by the Town of Walpole; and determine whether more can be done to ensure delinquent water and sewer ratepayers are paying in a reasonable timeframe. Second by Patrick Fasanello, as he feels like this is a good idea. Mr. Abbott says we will need an article for FATM for funds to have this done. Vote on the motion 4-1-0, Spillane against.

Motion Made by John Spillane to adjourn. Second by Patrick Fasanello. Vote 5-0-0. Meeting adjourned at 9:50 p.m.

Accepted October 23, 2017