

**WATER & SEWER COMMISSION
MEETING MINUTES – JULY 22, 2020**

MEMBERS PRESENT: John Meader
Bryant Firmin
David Pepe

ALSO PRESENT: Scott Charpentier, Public Works Director
Tim Davison, Water & Sewer Supervisor
Sarah Jean, Administrative Assistant
Dave Fox, Raftelis Financial Consultants, Inc.

Commissioner Meader opened the meeting at 2:07 PM and read the following statement: Pursuant to Governor Baker’s March 12, 2020 Order Suspending Certain Provisions of the Open Meeting Law, G.L. c. 30A, §18, and the Governor’s March 15, 2020 Order imposing strict limitation on the number of people that may gather in one place, this meeting of the Water & Sewer Commission will be conducted via remote participation. No in-person attendance by members of the public will be permitted.

1. CONSIDERATION OF MINUTES FROM THE JUNE 9, 2020 REGULAR MEETING

Motion by roll call to approve the meeting minutes of the June 9, 2020 regular meeting as amended, Commissioner Firmin “aye”, Commissioner Pepe “aye”, Commissioner Meader “aye”; the vote by roll call was unanimous with three votes in favor.

2. REVIEW FY’21 DRAFT WATER & SEWER RATE STUDY REPORT WITH RAFTELIS FINANCIAL CONSULTANTS, INC.

Mr. Charpentier began by informing the Commission that we are going through the annual rate study process now as we have done in past years. Mr. Charpentier stated that have an informal presentation after the most recent fiscal year has closed and the actual expenditures are complete. Those numbers have been provided to Raftelis Financial along with the fund balances, and actual usage for the prior fiscal year. This data has been incorporated into the draft rate study model which also incorporates the two capital item articles that were recently approved at Town Meeting; the Assabet Storage Tank Rehabilitation Project & the Water / Sewer Garage Project. Also included in the Rate Study is the Sewer Flat Rate Analysis that was done mid-year last year in response to resident concern.

Mr. Fox gave the Commission a detailed overview of the draft rate study process and explained what items were taken in to consideration to get to this point.

Mr. Fox stated that what Raftelis is recommending for fiscal year 2021 is right in line with what was recommended in last year's rate study; a 4% increase on the water volumetric rates with no increase to the base charge as there was a significant increase to that charge last year, and a 5% increase on the sewer volumetric rates which is right in line with the projections from last year, in addition to the reduction of the sewer only flat rate charge from \$340.20 to \$220.00 to better reflect the actual cost for servicing a typical customer. Mr. Fox stated that all of this amounts to the typical residential bill increasing by about \$14.00 per quarter from \$320.00 to \$334.00.

Mr. Charpentier stated that on the water base side one of our goals is to maintain a healthy ratio of stable revenue (i.e., the water base charge) as compared to the volumetric which varies based on usage. What we are projecting in the out years is an every-other year adjustment of the water base charge in order to maintain that ratio. Eventually we would like to adjust that ratio up so the base charge is a higher percentage of our revenue stream. However, as Mr. Fox pointed out there was a large change last year so we will maintain the ratio for a while and reevaluate in the future.

Commissioner Firmin thought tonight's presentation was very good, very clear and questioned what separates Senior Debt from Subordinate Debt shown on Exhibit 2 – Debt Service. Mr. Fox stated that we do not have an subordinate debt and this should be removed from Exhibit 2 and Exhibit 3.

Commissioner Pepe asked if the COVID-19 was an issue for us? Mr. Charpentier stated that from a volumetric perspective we were a benefactor of the drought situation. Mr. Pepe questioned if labor costs has been affected by COVID-19? Mr. Charpentier reports that productivity is down as we are now working as two remote groups. That being said, the critical components such as valve exercising, hydrant flushing, sampling that is all being done first. Service swaps where we would switch out old iron corporations with new ones, we just haven't been doing that as we just don't have the bandwidth to do that right now.

Commission Meader had some editorial comments for Mr. Fox, stated that he thought that the draft study was very well written. Mr. Fox will make some modifications and complete the rate study, adding some discussion points that the commission suggested tonight. Mr. Meader inquired if we would be posting this to the Towns website? Mr. Charpentier indicated that we would incorporate the comments provided today into an updated report.

Mr. Charpentier reports that the next Board of Selectmen (BOS) meeting is tentatively scheduled for Monday, August 10, 2020. We have in the past had a similar discussion with the BOS as we did today prior to the public hearing. Hoping that the commissioners would be available on August 17th or August 19th somewhere in the 5:00 – 5:30PM window for a public hearing. This public hearing will be done as a Zoom Webinar and will be open for public comment. Mr. Charpentier indicated that we will move forward with scheduling the public hearing for Monday, August 17, 2020 at 5:30PM.

OTHER BUSINESS:

Mr. Charpentier gave an update on the capital projects that were approved at Town Meeting. Mr. Charpentier reports that the schedule for bidding of the water garage was established earlier today and the expectation is to have a bid opening on September 1, 2020. As for the tank project, this has to be done during low flow, low demand season so there is no immediate hurry. The expectation is to bid this out over the winter time, in or around the holidays. We are currently submitting an application for State Revolving Fund (SRF) funding in the event that there is a stimulus package that funnels grant money through existing funding streams.

The Commission thanked Mr. Fox for his time.

Next Meeting: The next regular meeting with public hearing is tentatively scheduled for August 17, 2020 at 5:30PM.

Adjourn: Motion by roll call to adjourn the meeting at 2:41PM Commissioner Firmin “aye”, Commissioner Pepe “aye”, Commissioner Meader “aye”; the vote by roll call was unanimous with three votes in favor.

Respectfully submitted,

Sarah Jean
Administrative Assistant

Documents used during meeting:

1. July 22, 2020 Meeting Agenda
2. June 9, 2020 Regular Meeting Minutes
3. FY'21 Draft Water and Sewer Rate Study Report from Raftelis Financial Consultants dated 7/20/2020