

Draft: WMAC Meeting Minutes
November 21, 2013

Attendees: Ann Carney, David Crosby – Chair, David Hearne, Paul Lauenstein, Rory McGregor – Secretary, Chris Pimental

Guest: Eric Hooper – Superintendent, Sharon DPW

1. Minutes of the September 20th meeting were approved as amended.
2. There was a review of both the maintenance projects and capital projects on the Water Master Plan.

Completed items in order of priority include Item 13 (SCADA improvements, chemical feed improvements – all wells), Item 12 (repair of Moose Hill concrete storage tank), Item 1 (install 3600' of water main on Pond Street), and Item 14 (install transducers and pumps at Well #2).

Item 16 (install standby generator and automatic transfer switch at Well #4) will be done in house by the Water Department during this fiscal year, FY 2014, perhaps for significantly less than the current \$122,000 estimate. Item 19 (install mag flow meters at Wells #2, 4, 6, and 7) will also be done in FY 2014.

Item 5 will be partially done in FY 2015; the cost expenditure will be \$500,000 to replace water main in the section of road from the parking lot at Mann's Pond to East Street.

The Brook Road portion of Item 6 (replace water mains in the center of town from Highland Street to Brook Road) is being deferred until FY 2016; the cost is estimated at \$1.5 million. The Glendale Road, Glenview Road, Rob's Lane portion has been completed during this past summer.

The refurbishment projects proposed for Wells 2 and 3 are becoming capital improvement projects because of new state requirements to further reduce levels of iron and manganese. The proposed cost for the existing capital improvement project at Well 6 is \$2.7 million. Eric Hooper estimates that the projects for Wells 2 and 3 may cost as much as \$7 million.

3. The selectmen earlier this month approved a water rate increase to become effective January 1st 2014. There is a \$5 per quarter increase in the base rate. The break point for the 1st block moves downward from 7500 to 4500 gallons. The break point for the 2nd block moves downward from 15,000 to 9,000 gallons. The third block receives an increase in the summer water rate per thousand gallons from \$9 to \$10, and an increase in the winter rate from \$8 to \$9. These changes may increase annual revenue by as much as \$400,000 over a total fiscal year. The effect in FY 2014 may be much less than this amount since the fiscal year will be half over on January 1st and collections lag issuance of water bills.

4. The last water rate increase was implemented in January of 2012. It produced total Water Department revenue of \$2.867 million for FY 2013. Estimated revenue for FY 2014 is a similar amount, namely \$2.8 million, which includes the effect of the water rate increase described in paragraph 3 above. Collection of overdue water bills amounted to approximately \$250,000 in FY 2013, providing a one-time influx of revenue which will not recur in FY 2014.

5. The goal for the Water Department is to generate annual revenues of up to \$3.3 million in 2013 dollars in order to cover operating costs and finance both maintenance and capital improvement projects in the town water master plan.

6. WMAC's general concern that the Water Department generates insufficient revenue to cover both operating costs and finance maintenance/capital infrastructure projects has been acknowledged by the selectmen. Along with the increase in water rates effective January 1st, they are committed to revisiting the water rate structure on an annual basis with the objective of increasing revenue to meet the estimated requirement of up to \$3.3 million per year.

7. Next meeting is Thursday December 19th at the Community Center at 7:30pm. Agenda items will include proposed water department budget for FY 2015, potential loan program to homeowners for water system maintenance and conservation measures, and further review of priorities for maintenance and capital improvement projects.

Respectfully submitted,

Rory McGregor