



WATER DIVISION

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John M. Driscoll, *General Manager*

**Water Commissioners' Meeting
September 13, 2016**

Members present were: Gregg Edwards, Chris Stewart

Employees present were: John Driscoll, Ron Davan

The meeting was called to order at 6:00 p.m. by Dana.

The agenda was approved on a motion by Chris, seconded by Gregg, 2-0 in favor.

Old Business:

The Manager and the Superintendent updated the Board on developments surrounding the demolition and re-construction of the water storage tank on Johnson Avenue.

New Business:

The Manager and the Superintendent informed the Board about a state-wide mandatory water ban that was implemented by the Energy & Environmental Affairs Office on August 15, 2016. This water ban restricted any outdoor use of water during any hours until further notice (gardens were an exception). They both expressed concern about what this would do to water ban would do to the 1st quarter sales for FY2017, but also expressed relief that the ban had not been implemented until August 15, with the billing quarter ending on or about September 1. The Superintendent did note that the water distribution system had been average around 625,000 GPD prior to August 15; now that figure was around 425,000 GPD.

The Manager and the Superintendent informed the Board that the latest batch of new water meters for the FY2017 capital budget had been ordered. They noted that this time around, the majority of the expense went to just a handful of water meters that were 4", 3", 2" and 1.5" so that some high-usage commercial meters could be included in this change for FY2017. The meters that were ordered and received and installed represented around 3,000,000 gallons/\$38,580 of average quarterly water used by the 40 water customers involved.

The Manager presented the Board with actual water sales summaries representative of the 1st quarter of FY2017, unlike the estimates provided at the August meeting. The Water Plant had sold almost 36,000,000 gallons of water and would collect \$426,000 for it. He noted that this was a record quarter for water usage revenues due solely to the extra 9% of revenue generated because of the rate increase of November 2015. Because of the additional revenues recognized by this quarter's water sales AND the reimbursements that would soon be coming from USDA for water tank expenses, the manager felt that this was the time for the Water Commission to establish and OPEB Trust for the Water Plant. He had researched the previous three (3) actuarial studies completed for the Water Plant for 2009, 2012 and 2015 and seen that to date, there should have been around \$84,000 already set aside for OPEB expenses.

The Manager's recommendation to the Board at this time was to establish such a fund with half of this, or \$42,000, and utilize the Town Treasurer to set up a new OPEB Trust account for the water enterprise. He had shown the Board an earnings report from the Light Plant's OPEB Trust held at MMWEC in order to provide some example as to what we could expect for returns based on today's stock market. Since January 2014 the Light Plant's OPEB Trust had returned at a rate of 6.5%, and the Manager did not see any reason why a similar account set up for the Water Plant could not do just as well starting in 2017. The Board would table this item for the moment until better/more information was made available to them on investing before they voted to commit any water enterprise funding to OPEB.

There being no other Open Session business to discuss, on a motion by Chris, seconded by Gregg, 3-0 in favor the Water Commissioners' Meeting adjourned at 7:00 p.m.

Respectfully Submitted,

John M. Driscoll



General Manager