



WATER DIVISION

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John M. Driscoll, *General Manager*

### **Water Commissioners' Meeting May 6, 2015**

Members present were: Dana Blais, 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 Gregg, seconded by Chris, 3-0 in favor.

The March 4, 2015 minutes were approved on a motion by Gregg, seconded by Chris, 2-0 in favor.

#### **Old Business:**

The Manager updated the Board on the status of the USDA Loan Application being prepared by Tighe & Bond. To date he and the Superintendent had provided roughly half of the data needed for them to complete the application. The Manager noted two specific issues taking lots of time; the short-lived water asset list AND the [www.sam.gov](http://www.sam.gov) registration of the Water Plant. The Water Plant is still on track to complete their end of this application process by June 30, 2015.

Another actuarial study for the Water Plant's 5 employees and 1 retiree had been done for 2015 by Odyssey Advisors (formerly Primoris Benefit Advisors). The annual contribution necessary from the Water Plant to remain on a 30-year fully-funded OPEB track had risen from \$6,573 to \$22,545, a 234% increase in annual OPEB funding. Unlike the Light Plant with their MMWEC OPEB Trust, the Water Plant had no such actuarial account established anywhere as of yet. The Manager was apprehensive, given the town's financial status, to utilize the town treasurer/collector to find a high-yield (4-8%) fund to establish for the Water Plant. He had inquired of MMWEC whether or not the special legislation from 2000 establishing the Templeton Municipal Light and Water Plant would allow Water Plant funds to be held and/or managed at MMWEC like the Light Plant funds were. The Manager had not yet received a definitive answer from Matt Ide, their treasury & commodities director.

### **New Business:**

The Manager, with the assistance of the Water Clerk/Secretary, had done some analysis on exactly how long it took the Water Plant to collect 100% of its water usage revenue from its roughly 2,200 water customers every quarter. He stated that although the quarterly water bills are due 30 days after their corresponding bill date, only about 80% of their customers pay the bill on time. About 10% of them pay within 31-45 days, another 5% within 46-60 days and the remaining 5% after 60 days. The Manager expressed his concern to the Board over keeping the Water Plant's financials in the black with this kind of payment arrears present every billing quarter, and his solution was simple. He had communicated with the Water Clerk/Secretary that there would no more time allowed beyond Day 60 to pay for late water bills; he added that more water customers would be shut off than in previous years.

The Manager felt that their having to pay another \$50 to have their water turned back on in addition to their entire water arrears balance would prevent them from paying late anymore. The Manager was confident that in advance of the next round of quarterly water meter readings during the last week of May 2015 that the total water arrears would be less than \$1,000.

The Superintendent had received an e-mail from the Board of Health regarding fluoride concentration levels in the state's drinking water. Currently the acceptable range for concentration of fluoride in drinking water in the state was 0.70-1.20 parts per million. The Superintendent reported to the Manager and to the Board that this range had now been shrunk down to 0.70-1.00 parts per million per the Mass DPH Division of Oral Health. He stated that he had already begun the lowering of fluoride concentration levels at all three well sites and had told the Board of Health Agent that it would take a few weeks' time to see the concentration levels lower at the distribution level because of the 53 miles of water mains in use at this time.

There had been an unfortunate incident at #204 South Road regarding a broken water meter fitting in the water customer's basement. The Manager and Superintendent gave the Board a synopsis of what had happened at the meeting while in the presence of Russell Stanley, the homeowner. Because the faulted equipment had been under the jurisdiction of the Water Plant, the Manager and Superintendent both felt that the clean-up should be the financial responsibility of the Water Plant. They felt that between the cost of drying and airing out the finished basement, replacing the carpet and crediting the electric bill for the additional usage necessary to dry and air out that the Water Plant was looking at an \$8,000 cost to cover the damages. Both the Board and Russell Stanley were in agreement that this was the fairest way to address the water customer's problem while being fair to the Water Plant. A vote was taken as follows:

*"On a motion by Dana, seconded by Gregg, 3-0 in favor the Board voted to pay for the clean-up of the Stanley's finished basement located at #204 South Road in Templeton for (roughly) \$8,000 based on estimates already received by the Superintendent."*



A contractor replacing the water service at #91 Brooks Village Road in Templeton had hit the water main property tap and broken the water service line. Water had to be temporarily shut off to all of Brooks Village Road for approximately 5 hours so that repairs could be made. The Superintendent informed that Board that all of these repair costs would be borne by the water contractor.

The Manager distributed copies to the Board of a proposed water budget for FY16 which had not included salaries and wages for the General Manager, Business Manager and Staff Accountant. Based on today's salaries and wages for these 3 employees this budget line item would be a \$31,584 expense. Because of the possibility of a USDA Loan coming through for the Water Plant in FY16 and long with it new payment obligations the Manager had not wanted to include the unpaid salaries and wages as well. Since the merger of the Light and Water Plants there had been no payments made from the water enterprise to the light enterprise to compensate for the labor expense for these 3 employees. The Manager's current water budget had a proposed increase of 4.21% over the previous fiscal year's water budget, and he was not confident that this level of funding could be achieved by selling barely 116,000,000 gallons at the current water rates of \$11.48 per KGAL in FY16.

The Board wanted the Manager to take a closer look at this water budget and make a determination on whether or not these salaries and wages should be included as a budget expense even though they are never paid. The Manager would do that and also review the USDA Loan figures before the June meeting. He did not want to suggest another water rate increase (even though Tighe & Bond had already recommended one) for FY16 if it was unnecessary.

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 6:45 p.m.

Respectfully Submitted,

John M. Driscoll



General Manager