

TOWN OF PROVINCETOWN - BOARD OF SELECTMEN
MEETING MINUTES
JOINT MEETING WITH THE WATER & SEWER BOARD
MONDAY, AUGUST 21, 2017 5:00 PM
TOWN HALL – JUDGE WELSH ROOM

Chair Cheryl Andrews convened the open meeting at 5:00 pm noting the following:

Board of Selectmen attending: Chair Cheryl Andrews, Vice Chair Erik Yingling, Members Robert Anthony, Tom Donegan and Louise Venden

Excused:

Water and Sewer Board: Mark Collins, Jean Horner and Kathy Meads

Other attendees: Town Manager David Panagore, Assistant Town Manager David Gardner, Finance Director Josee Young, DPW Director Richard Waldo, Water Superintendent Cody Salisbury

Recorder: Elizabeth Paine

Acting Chair Cathy Meads called the Water and Sewer Board to order

1. Joint meeting with the Water and Sewer Board – Water Enterprise Pro-Forma.

Chair Andrews handed the meeting over to DPW Rich Waldo.

DPW Waldo – we are here tonight to give you an update, he introduced financial facilitator John Goodrich.

Mr. Goodrich asked that everyone hold off with questions until after he had gone over the entire packet. Reading directly from the packet handout, Mr. Goodrich went over the Water Enterprise Pro-Forma.

It has been 5 years since a formal 10 year forecast has been done. The forecast shows that we will be out of retained funding if we do nothing. This is why we are here tonight. There has not been a flow increase since 2003. The gap between expenses and revenue is predicted to widen over the years. We have broken this down into five sections; key issues, fund review, recommendations, fixing the problem and rate changes. 2002 there was a change in the billing period and changed back in 2003. Both the peak and off peak rates were adjusted. In March of 2009 the basic service charge was introduced. Between 2010-2013 the Town invested 14 million in capital improvements with the assistance with three major grants. Phase I, II, & III have all been funded by the enterprise fund. The Town of Provincetown has a 125-year-old water system that needs regular capital replacement.

Page 17, unaccounted water used to go up and down. We have aggressively worked on fixing these problems with great results. I would like to draw your attention to Page 22; Provincetown has done an excellent job with conservation. We are proposing to increase fees now because we have been operating shortfalls by depleting our Retained Earnings and by increasing the rate we ensure that we will have the necessary capital and operating reserves for the future needs of the water system. The graph on page 25 shows the basic service charge and the cost. Since FY2012 the cost has exceeded the revenue.

We are proposing increasing the service charge. And we have different scenarios for rate increase.

1st scenario is a 4.4% increase applied to both billing period. The 2nd scenario is a 5.1% peak period

increase. Both scenarios have the same outcome in the 10 year forecast. Page 31 shows an estimated increase for an average residential user. We will be holding public meetings no later than October 1st. Mr. Goodrich ended his presentation and asked for questions.

A discussion ensued.

Selectmen Anthony - how much money came from the enterprise fund to do capital improvements?
How much grant funding did we receive? (Page 6) What did we bring in for revenues? (Page 9)

C. Meads – we have been a victim of our own success. We want to encourage unaccounted for water, encourage conservation a

Selectmen Venden – have you considered changing off peak to 8 months and would you consider lower the rate for commercial businesses in the off season?

Selectmen Donegan - I think we should have more seasonal differences in a seasonal price. If you look at the break in water usage, there is a huge break in water use. We need to continue in this policy, and the time line shows that we need to do this quickly. How do we build out a rate system that builds a year round community? My desire is to have a minimum billing for users who have shut their flow off.

Chair Andrews - Single topic on why they took away the minimum and if you agree on the way
Selectmen Donegan is analyzing this view.

Vice Chair Yingling – I am concerned that the cost of administration is going to go up. What is driving the increase in our expenses? Have you looked into other potential revenue sources? (Page 38) I think shifting the percentage to a bigger user and second homeowners verse someone on a fixed income.

Mr. Goodrich – contract obligations.

J. Horner - I would like to make a comment about economic development. When you have Economic Development, you have to increase all of your services. I want to compliment everyone who put this packet together. Faster we implement the easier it will be on everyone.

Selectmen Venden – have you looked into getting the billing online?

Chair Andrews – when we use cash verse barrow and why? Could you put together a short memo of when we use cash and when we use borrowing? If you could include in that the last 15 years barrowing and debt, I am wondering where you got the age of the system. Could we get a graphic of the system, showing the age of the parts of the system? I think we should get the bills more often so that we can be aware of how much we use. Did you look at different rate increases to different tiers? (Page 5) For me the tiers are like income brackets, homeowners cannot write it off like a business. I hope we never go this long again before looking at rate increases.

Cody S - In 1893 we started the system. To our knowledge the oldest pipes in the system are from the 1950's.

Selectmen Donegan – as you look at the aging of the system, what is the CIP consequences of getting to that 10% of UAC (unaccounted for water). I think the idea of the 12K becomes the normal average use; anything higher gets a greater increase. It's looking at huge our most expensive users are and bill accordingly.

Selectmen Venden- if we are going to use the tiers, it would be good to know how many users are in each group.

Cathy Meads – have a little history of the rates, the DEP originally asked us to create a rate that you are seeing. Over the years it has been very successful. We have done multiple studies over the years. I agree with Selectmen Yingling, if we are not going to gain any revenue by going to 4 billing cycles. I think that it would cause a lot of extra work.

John Goodrich – Feb 2009 the billing cycling went back to 6 to 6 months, and a month later they added the rate in.

Next meeting with the Water and Sewer Board will be September 18th at 6 pm, to only discuss water only.

2. Joint meeting with the Water and Sewer Board – Wastewater Enterprise Pro-Forma.

John Goodrich – again gave the presentation on Wastewater Enterprise Pro-Forma from the packet. Treatment plant is near its capacity per DEP. Used 95%. We can add about 1% per year over the next 10 years. 4th of July and Carnival are the driving factors in capacity.

A discussion ensued.

C. Meads – I would like to see betterment and room tax revenue coming in, going back to the beginning.

Selectmen Donegan – it appears that contribution is a greater concern on the water size. How is it we can consent conservation? We are taking about 6 week's right? Is it possible to put in discreet treatment? I understand we have to raise the rates, but what is the next step?

C. Meads – during the peak period we have to be able to accommodate the peak season. I think it would be best for the selectmen would benefit look at the sewer based on region. What do we have in the ground? Where is the capacity we can get and where do we want to go? We have to raise the funds to expand.

DPW Director Waldo- it is possible to get discreet treatment, but they still have to go into our treatment plant and into our affluent beds, which is where we have our permits.

J. Horner – we need to figure out how to pay for what we have now before we expand.

Selectmen Donegan – think we need to increase the rate on the sewage on the peak billing periods. I think if conservation is driven by rates, we need to increase this.

M. Collins – on page 20, could you elaborate on the betterment increase? Is it Cape Inn who will get the brunt of the fee increases? Those bills could be reasonably big. If we could see what those actual numbers would be that would be great.

Chair Andrews moved to adjourn

Without objection the meeting was adjourned at 8:13 pm

Minutes transcribed by: Elizabeth Paine