

Board of Water Commissioners

June 15, 2020

Present:

- Board of Water Commissioners: Mr. Joe Fisher (Chair) and Ms. Liz Klein
- Mr. Tom Mayo, Town Administrator
- Ms. Michelle Monsegur, Assistant Town Administrator
- Mr. Russell Tierney, Superintendent, Weir River Water System

Call to order: 6:00 pm

Mr. Fisher called the meeting to order.

Approval of Minutes

Deferred to June 22, 2021 meeting.

Preliminary Discussion of Weir River Water System Proposed FY22 Water Rates

Welcomed Russ Tierney, Water System Superintendent, and John Asher, former Chair of the Water Company Acquisition Committee. Mr. Tierney said that the Town took over ownership of the Water System on August 1, 2020. One of the decisions of the Board of Water Commissioners at the time was not to have a rate increase for the first year. He reported that the Water System held true to that decision. After reviewing potential repairs and costs, the Water System has decided to propose a 10% increase, which is in line with what was discussed during negotiations. He noted that the MRAM charge would be held at a flat 2%. Details on the proposed increase can be found at <https://www.hingham-ma.gov/878/Weir-River-Water-System>. He clarified that the proposed rate increase is up for review by the Board of Water Commissioners, and could potentially be voted on at the next BOWC meeting.

Joe asked for some historical information on rate increases. Russ said that this 10% increase is smaller than the last time it was increased by Aquarion in July 2018 (FY19). Mr. Fisher asked if this increase is in line with benchmarking projections when the Town took ownership of the Water System. Mr. Tierney said that it had been three years since last increase. This increase and is in line with what the community was told when the Town took over the water company. John Asher gave some benchmarking history. He explained that the financial model, developed in 2012, assumed a rate increase of 10% every 3 years, which is less than the average increase that Aquarion had applied across New England. He said that, the Town committed to keep to that rate structure until there was a detailed cost of service study and a billing analysis, which is still ongoing. He agreed with the Water Commissioners if they should feel that a 10% increase is appropriate because there is still more data to be obtained. He felt that a 10% increase was conservative given the needs of the system and given the amount of money that was expended on Capital during 2019, both before and after the Town Meeting vote to acquire the water system. Mr. Asher said that the Town spent approximately \$3 million on capital during 2019, which was more than Aquarion had ever spent in one year. Mr. Fisher clarified that a 10% increases was consistent with the projected models. Mr. Asher said that, if the Town kept to the Aquarion timeframe of rate increases, this 10% increase, would have occurred in 2020. He added that the currently proposed rate increase was actually deferred from last year.

Mr. Fisher asked what procedures would be followed to implement a rate increase, if approved by the BOWC. He also asked for the specific uses of funds. Mr. Tierney explained that, within the rules and

regulations of the water system, there is an “Establishment of Rates” section that would be followed. He reported that the members of the Citizens Advisory Board (CAB) are in favor of the proposed rate increase because they see the amount of work that needs to be done across the water system. Mr. Tierney also said that, each October, the public would receive a letter explaining the rates and public meetings. The CAB would then discuss the final rates each November. Mr. Tierney said that the CAB is a very active group with very good ideas. He said that there would be public meetings in November and December each year to discuss rates. The Advisory Committee would then recommend the Weir River Water System Enterprise Budget and any associated Warrant Articles recommended to The Town of Hingham Annual Town Meeting for consideration and vote each April.

Mr. Tierney also explained that, during the acquisition process, all participating boards and committees agreed to spend approximately \$2.7 million per year in Capital improvements. Mr. Tierney felt that this amount would be very easy to spend due to the age of the system. He reported that they plan to spend about \$1.8 million this year and would roll over the excess funds for projects to be completed the following year. He noted that the Atlantic Avenue reconstruction project in Hull is one of the biggest projects they are planning. He also noted that the repairing of filters at the Water Treatment Plant is another important project. Other improvements include some interior work at the Treatment Plant, such as painting. Mr. Tierney also said that a Capital Study is currently being conducted by Environmental Partners and a Rate Study is being conducted by the Abrahams Group. Ms. Monsegur added that Mr. Tierney had highlighted some important advantages to public ownership of the Water System, including:

- The coordination with roadwork and other utilities between the three communities
- The rate-setting process is now a public process in which all three communities can participate.
- The Town’s Capital commitment to the system’s infrastructure
- Slower and lower rate increases

Ms. Monsegur also noted that the Water System is an Enterprise fund, which means that they have to raise enough revenue to take care of necessary expenditures and operations. She reported that all of the projections that have been put together thus far, based on the data that is available, are doing that. She said that the Town is making sure that they are raising an appropriate amount of revenue to take care of the Water System.

Ms. Klein asked for a timeline on the completion of the Rate Study. Mr. Tierney anticipated that it would be complete by the end of the summer. Ms. Monsegur added that one of the goals of the Rate Study is to simplify the rate structure so that there are not multiple charges on the bills.

Ms. Klein asked if the CAB had received any feedback from ratepayers yet. Mr. Tierney reported that the CAB has not yet because they just recently had their first meeting. Ms. Klein also asked if there would be specific outreach to Cohasset, Hull or Linden Ponds with regard to the proposed rate increase. Mr. Tierney said that, after the meeting, he plans to use the notification system to let ratepayers know of the proposed rate increase and will post information to the Weir River water System website for public review. Ms. Monsegur added that one thing the CAB addressed at their previous meeting was ways to increase messaging to residents so that they can better understand why the rate increase is being proposed and what it would support. Mr. Tierney said that, going forward, there would be more and earlier notification of any rate increases. Mr. Tierney also reported that the system is doing well financially and budget-wise.

Ms. Klein asked Mr. Tierney for clarification on the MRAM charge. He said that it was a way to secure fund for repairs to water mains and capital improvements throughout the system. This charge is to stay at 2%.

Mr. Fisher clarified that the rates are the same for all three towns. He asked to whom resident should ask questions about the rates. Mr. Tierney said that residents could ask their representatives of the Citizen Advisory Board, who would then be in touch with Mr. Tierney. Mr. Mayo noted that the CAB members and their contact information could be found on the WRWS website.

Mr. Fisher also said that one of the reasons that Town acquired the water company was their intention to address significant capital needs that were present. He further said that these capital needs were not unexpected, but rather were present at the time of the acquisition. He also noted that, at the time of the meeting, the Board had not received any questions or comments from the public.

Capital Improvement Update from Water Superintendent

Mr. Tierney reported that the projects Bulow Road, Bulow Place and Forget-Me-Not Lane are now complete. He encouraged residents to water the grass seed that has been planted on those streets. He said that they had planned to replace a few mains on Wompatuck Road and Downing Street, but those projects have been pushed back a few months in order to move forward with the Atlantic Ave project in Hull. He said that bid documents for the Atlantic Avenue project will be available on June 30, 2021, with bid opening dates two weeks after that. Once they have chosen a contractor, they hope to start construction in early to mid-August. Other capital project he hopes to complete in the next fiscal year are the repairs to the filters and the Accord Pond intake. These two project are in the budget for FY22. He also said that the FY22 budget has a surplus of 10%, which he felt was very important as we enter into a drought phase so that they can continue with all their projects as planned.

Mr. Fisher asked about the currently imposed Water Restrictions. Mr. Tierney explained that the Town is currently in the first step of water restrictions, "water conservations", which includes odd/even watering. He anticipated that this stage of water restrictions would last throughout the month of June, when they would then evaluate the state of Accord Pond. Mr. Tierney explained that he decided to institute these water restrictions after a rainfall analysis showed that this May had 50% less rainfall than last May. The water restrictions have been posted on the WRWS website.

Mr. Fisher asked if the lifting of the Massachusetts State of Emergency has changed operations at the plant. Mr. Tierney said that things have been moving along smoothly all along and said that their Covid safety protocols worked very well. He expects to visit the plant more going forward. Mr. Fisher thanked Mr. Tierney for all his hard work.

Public Comment

There were no comments from the public.

Mr. Fisher said that the next meeting of the BOWC would be on June 22, 2021 with a continued discussion on rates.

Vote: Ms. Klein made a motion to adjourn. Mr. Fisher seconded.

Roll Call Vote:

Ms. Klein: yes

Mr. Fisher: yes

The meeting adjourned at 6:26 pm.

Documents: A complete meeting packet of supporting documentation is on file and available for public review in the Hingham Board of Selectmen's office.